Nichols plc

2015 ANNUAL REPORT & FINANCIAL STATEMENTS.

THE GROUP

Nichols plc is an international soft drinks business with sales in over 70 countries, selling products in both the Still and Carbonate categories.

The Group is home to the iconic **Vimto** brand which is popular in the UK and around the world, in particular in the Middle East and Africa. Other brands in its portfolio include **Feel Good, Panda, Starslush, Levi Roots** and **Sunkist.**


ASK FOR A
“VIM TONIC”
REGISTERED
VIMTO
1d. and 2d. Per Glass.
GOOD FOR YOUR BLOOD.
A DELICIOUS BEVERAGE.
N. & Co.
VIMTO
THE WINNING DRINK
“VIMTO”
KEEPS YOU FIT
“I can't see my Diet Vimto!”
The drink that scores the most
“VIMTO” A WINNER EVERY TIME
ASK FOR VIMTO
BLUE LION TEMPERANCE BAR.
DRINK VIMTO
M^R ELLIOTTS LONDON R^D
Sparkling “VIMTO”
KEEPS YOU FIT.
Get the knack of a snack with
VIMTO
BLOTTER.
“VIMTO”
THE DELICIOUS TONIC DRINK.
J. N. Nichols & Co.,
203 & 203a, CHAPEL STREET,
SALFORD, MANCHESTER.
VIM

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STRATEGIC REPORT

PERFORMANCE

(Pre-exceptional items)
Exceptional items of £nil (2014: £7.8m) are explained in note 4 of the financial statements.

Group Revenue

2014	109.2m
2015	109.3m

+0.1%

Operating Profit

2014	25.6m
2015	27.8m

+8.7%

Operating Profit R.O.S

2014	23%
2015	25%

Profit Before Tax

2014	25.7m
2015	28.0m

+8.9%

Net Cash

2014	34.5
2015	35.4

EPS (basic)

2014	55.03p
2015	60.33p

+9.6%

STRATEGIC REPORT
Chairman's Statement

"The Group has continued to perform well during 2015 increasing profit before tax pre exceptional items by 8.9% compared to the prior year; this has been achieved despite the challenges faced in both the UK and in our Yemeni markets."

JOHN NICHOLS
Non-Executive Chairman

I am pleased to report that the Group delivered another strong performance in 2015. Our international sales were up 3.9% year on year (on a constant currency basis), Group profit before tax pre exceptional items increased by 8.9% and we successfully completed two acquisitions.

Trading

Total Group revenue was £109.3m and profit before tax increased 8.9% to £28.0m (2014: £25.7m pre exceptional items). Whilst the headline sales performance was marginally ahead of the prior year, it is important to note that our profit growth was driven by trading activities which delivered a gross profit increase of 5.6% (£2.8m).

In the UK markets, sales totalled £84.8m, slightly below (-0.3%) the prior year's value of £85.1m but ahead of the total UK soft drinks market performance which declined by 0.6% (Nielsen year to 2 January 2016). Continuing our strategy of value over volume has once again delivered margin growth. This has been achieved by focusing on the growth of our Still products and limiting our participation in deep promotional activity, particularly in Carbonate. Also, and with a view to our future growth, we acquired the Feel Good brand in July 2015, which is an established range of premium still and carbonate juice drinks containing no added sugar and 100% natural ingredients. We are putting increased investment behind Feel Good and plan to re-launch in the summer of 2016.

The ongoing challenges in the UK grocery market have been widely reported and emphasise the importance of maintaining a diverse business which is not overly reliant on one market. I am therefore delighted to report that our international sales increased by 3.9% to £24.5m (constant currency basis – calculated by translating prior year non-sterling sales at this year's average exchange rate) during the year (1.6% on a reported basis). This performance was delivered from both of our core export markets being the Middle East and Africa. Trading in the Middle East was particularly encouraging given the difficulties in shipping to the Yemen due to the civil unrest in that region.

Full Acquisition

Having taken an initial 49% share in The Noisy Drinks Company Limited (Noisy) in March 2015, which is equity accounted as an associate investment at the year end, we are pleased to announce that the remaining equity was purchased on 8 January 2016. This additional investment is a key step in our strategy to enhance our Out of Home proposition. As a result, we can now offer our customers a unique portfolio of Still and Carbonate products

UK MARKET
SALES TOTALLED

£84.8M

INTERNATIONAL
SALES INCREASED

3.9%

PROFIT BEFORE TAX
INCREASED BY

8.9%

including dispensed soft drinks, packaged soft drinks and frozen drinks.

Noisy is the UK's leading frozen drinks business, supplying the Starslush brand to a number of prestigious customers in both the UK and mainland Europe. In addition to enhancing our product portfolio, the acquisition of Noisy strengthens our supply chain capabilities as the business has an established UK network facilitating direct access to customers on a national basis.

Dividend

The Group has delivered another strong performance in 2015 and as a reflection of the Board's continued confidence in the outlook, I am pleased to recommend a final dividend of 17.6 pence per share (2014: 15.3 pence). If accepted by our shareholders, the total dividend for 2015 will be 25.6 pence (2014: 22.4 pence), an increase of 14.3% on the prior year.

Subject to shareholder approval, the final dividend will be paid on 3 May 2016 to shareholders registered on 1 April 2016; the ex-dividend date is 31 March 2016.

Outlook

The Group has continued to perform well during 2015 increasing profit before tax pre exceptional items by 8.9% compared to the prior year; this has been achieved despite the challenges faced in both the UK and in our Yemeni markets.

During 2016 we will continue to implement our growth strategy which includes further investment in our brands, across the still and carbonate product range, to support distribution growth both in the UK and our export markets. We will also complete the integration of Noisy (acquired in full in January 2016) and the Feel Good brand into the business, both of which will have a positive impact on revenue during the year.

In summary, the Board is pleased with the 2015 performance and is confident that the Group is well placed to continue the trend into 2016.

John Nichols
Non-Executive Chairman

2 March 2016

> *"The Vimto brand heritage remains strong. Created in 1908, it is as relevant in today's global market as it was 108 years ago. Distributed to over 75 markets, Vimto is loved from Manchester to Mali."*

MARNIE MILLARD
Chief Executive Officer

Nichols continued to make good progress during the year despite some challenging market conditions particularly in the UK market. The Group delivered profit before tax growth pre exceptional items of 8.9%, earnings per share growth of 9.6% and retains its robust financial position with £35.4m cash in the bank.

Acquisition formed a large piece of activity for the Group during the year which underpins future growth for the business. The diversification of the organisation remains our core strength, which ensures we are not reliant on one customer, one route to market or one geographical region. The addition of the Feel Good brand strengthens the Brand Portfolio and the integration of Noisy brings new customers and products into our Vimto Out of Home business.

The Vimto brand heritage remains strong. Created in 1908, it is as relevant in today's global market as it was 108 years ago. Distributed to over 75 markets, Vimto is loved from Manchester to Mali.

The UK Soft Drinks Market

In 2015, volumes in the UK soft drinks market increased by 0.6% (as measured by Nielsen MAT to 2 January 2016). The total value of the UK soft drinks market, excluding the "on trade" channel decreased by 0.6% to a total value of £7.6bn.

The market saw the dilutes sector decrease in value by 7.4% while in contrast, Vimto dilutes grew 1%. This growth was achieved whilst maintaining our focus of delivering value over volume.

The Vimto brand is unusual in the context of the soft drinks market as it is present in both the Still and Carbonate sector. The brand saw a pleasing performance in its ready to drink range which again significantly outperformed the market to deliver growth of 15%.

Operational Review

Vimto UK

Our strategic focus on Still products continued into 2015 and as a result, significant distribution gains were made on the Vimto ready to drink range, particularly in the prominent front of store chiller space.

The Vimtoad featured in our “above the line” campaign again in 2015 and has been successful in broadening our target audience by encompassing parents and their teenagers.

In addition to the National TV campaign, we targeted the Midlands area with a regional up weighted communications campaign and a supporting van sales drive.

The activity took place over the peak spring/summer period and included TV, radio, outdoor and digital advertising culminating with the headline sponsorship of the Fusion Festival in Birmingham. The festival appealed to teens and their families with 50,000 people attending the 3 day event and featured performers such as Ed Sheeran and McBusted. The amplification of the festival sponsorship included radio advertising, sampling and social media.

The van sales were designed to increase distribution with independent retailers and secured over 16,000 new listings. As a result of this combined strategy to drive both awareness and trial the Vimto brand, sales have grown 9 times faster in the Midlands compared to its national performance. Vimto is now bought by an additional 15,000 households and resulted in the brand being enjoyed in 1 out of 4 households in the Midlands.

Levi Roots on the van sales drive

50,000

PEOPLE ATTENDED THE 3 DAY FUSION FESTIVAL

15,000

ADDITIONAL HOUSEHOLDS ARE NOW BUYING VIMTO

7.4M
REACH ON SOCIAL MEDIA

344,771
TOTAL FACEBOOK PAGE LIKES

4,058
TOTAL INSTAGRAM FOLLOWERS

With the combination of planned content and partnership with major influencers, the Bloomingdales campaign created a massive buzz on social media.

Vimto International

Our international business performed strongly during 2015 delivering growth of 3.9% (on a constant currency basis) despite challenges throughout the year of delivering concentrate to the Yemen as a result of conflict in this region.

In country performance from our partner Aujan Coca Cola was very strong with growth of in-market volume of 9% as they executed another outstanding fully integrated marketing campaign during the Ramadan period. The theme focused on "emotional separation" and how the issue resonates in different ways with the Middle Eastern consumer. Through diary style real life stories, Vimto was once again highlighted as central to that special time when their families come together. Digital and social media communication remained key with material viewed online over 17 million times.

A high profile marketing initiative took place in the popular store of Bloomingdales in Dubai. Consumers were able to purchase a Vimto Cordial bottle and have their name personalised on the label.

As well as our business in the Middle East, we have a long established trading history in the African region.

In the latter half of 2015, six new bottlers were appointed in Africa which creates a platform for concentrate growth in 2016.

A new product launch also took place in 2015 with the launch of Vimto Malt. Dark malt and Vimto provides a great taste combination which meets the local needs of the African consumer and adds a new Vimto product to the international portfolio. This product will be launched into the Ethnic channel in Europe as well as the USA in 2016.

For the first time in its history, we completed the production of a pan-African TV commercial which will be aired in the region during 2016.

Vimto Out of Home

2015 saw the continued development of our Vimto Out of Home business with the rationalisation of the independent distributors now completed. In order to communicate our position as a one stop shop to the independent on-trade, this part of the organisation has been rebranded as Vimto Out of Home with the strap line "Refreshing Soft Drinks Solutions".

Acquisitions

Two important acquisitions were made during 2015; The Noisy Drinks Company Limited (Noisy), being a 49% associate investment, and the Feel Good brand (trade and assets acquisition).

Noisy was established in 2002 and employs 45 people nationally with its headquarters in Thurrock in Essex. Noisy has a strong track record of delivering high quality service through its UK network. Its product portfolio centres on frozen drinks and includes the Starslush and Slurp brands. With an enviable customer portfolio which ranges from Merlin theme parks such as Legoland, Alton Towers and Chessington to Compass Catering supplying schools, Noisy is a great addition to the Vimto Out of Home business.

Noisy provides a strong platform for product innovation. A new launch in 2015 saw the introduction of a new frozen carbonated product under the Burrst brand, which has particular relevance to the cinema sector. Vimto and Levi Roots Caribbean Crush have both been introduced into the Starslush and Burrst flavour portfolio and will achieve extended distribution in 2016.

The Feel Good brand was founded in 2001. Feel Good is a premium range of 100% natural still and sparkling drinks for adults and kids. The range is available in over 20,000 outlets across 15 different countries.

Feel Good is a core element of our future growth strategy which allows us to enter the premium health soft drinks sector. It also has an important part to play in all our routes to market. Whilst it is firmly established in the UK grocery packaged market, the brand has a growing presence in the Out of Home sector and an international business which we can build on. Feel Good sparkling will be relaunched in summer 2016 with exciting new flavours and new product ranges will be added to the brand ready for launch in early 2017.

Our proposition to the consumer for the brand is to "drink good" and "feel good", using only natural ingredients with uplifting flavours. Our brand values will ensure we always deliver integrity and honesty to our customers which will ensure they have trust in the product we make.

WE NOW FEATURE **ON PACK NUTRITIONAL CONTENT**

JAN **2012** - JAN **2016 SOFT DRINKS**

VOLUME GREW BY

+2.5%

WHILE CALORIES & SUGARS

DECLINED BY

13.4% & 13.6%

RESPECTIVELY IN THE UK SOFT DRINKS MARKET

SINCE 2012

WE HAVE **REDUCED** THE **SUGAR** CONTENT OF OUR **PRODUCT PORTFOLIO** BY

1,118 TONNES

OUR TOTAL SUGAR USAGE IS DROPPING BY 8% YEAR ON YEAR

41% OF Vimto® STILL RANGE **DRINK SALES** ARE **NO ADDED SUGAR**

Financial Review

The Group has delivered sales of £109.3m (2014: £109.2m) in a challenging global market. The focus has been maintained on our value over volume strategy and the Group's diversification has ensured we have outperformed the markets we operate in.

In summary, we achieved the following in 2015:

- Group revenue £109.3m (2014: £109.2m)
- International growth (constant currency basis) 3.9% (2014: 4.3%)
- Profit before tax £28.0m (2014: £25.7m pre exceptional items explained in note 4 of the financial statements)
- Earnings Per Share 60.33 pence (2014: 55.03 pence pre exceptional items)
- 14.3% full year dividend growth

Cash flow remained positive in 2015 and as a result we finished the year with £35.4m cash in the bank.

Corporate Responsibility

2015 has been another challenging year for the soft drinks industry with many claims for urgent and significant action required by the industry on the issue of obesity. However, it is really important to highlight the progress we as producers have collectively made. Between January 2012 and January 2016, soft drinks volume grew by 2.5% while calories and sugars declined by 13.4% and 13.6% respectively.

We take our responsibility towards the issue of obesity and sugar consumption very seriously. Our marketing strategy has revolved around promoting no added sugar choices in order to achieve our aims of overall sugar reduction across our range of products. As a result, we have continued to reduce our total sugar usage from 8,202 tonnes in 2014 to 7,488 tonnes in 2015, which is an 8% reduction year on year. Since 2012 we have reduced the sugar content of our product portfolio by 1,118 tonnes.

Our No Added Sugar products in our squash range now account for 46% of all purchases and 41% of our Vimto still range in the UK, with Vimto Minis and Squeezy products only available as no added sugar. We are committed to looking for healthier alternatives and a good example of this is our acquisition of the Feel Good brand, which contains no added sugars and 100% natural ingredients.

Our recent launch of Vimto Remix contains no added sugar and we have recently launched a 5 litre catering pack of Vimto squash which is no added sugar only. This year we introduced front of pack labelling in order to better communicate to the consumer the nutritional content of our products.

Our Community

We are delighted to continue our work with Warrington Youth Club. To support the charity, last year over 40 colleagues attempted to climb the 3 peaks during June. They had to combat extremely poor weather which included snow at the top of Ben Nevis, but defeated the odds to raise over £55,000 for the charity.

A message from Dave McNicholl at Warrington Youth Club:

> *"Through the support and dedication of the staff of Nichols, over £200,000 has been raised for Warrington Youth Club, this has supported over 10,000 children and young people to access improved social opportunities, receive volunteer mentors and access high level personal development programmes. Over 100 young people who were at risk of social exclusion and involvement in criminality have been supported back into education and training. Over 65 vulnerable young people who had been in care have received training and support to allow them to live more independently.*
>
> *From all of the children and young people, volunteers, staff and board members involved with Warrington Youth Club, thank you for your amazing support and we look forward to working with you all for many years to come.*
>
> Yours Sincerely, Dave McNicholl
> Chief Executive, Warrington Youth Club."

Our Team

People remain absolutely core to the continued success of Nichols plc. Working as one team ensures we preserve our culture and its values. I would like to say a huge thank you to the amazing effort and passion my colleagues continue to show the business.

We conducted a staff survey in 2015 and were delighted to receive the following feedback:

99% ARE PROUD TO WORK AT NICHOLS

96% STILL EXPECT TO BE WORKING AT NICHOLS IN 12 MONTHS TIME

94% FIND NICHOLS A POSITIVE PLACE TO WORK

98% SHARE THE SAME VALUES AS THE COMPANY

Star awards

This years Star Awards were presented by Levi Roots.

LEE GIBSON
Mentor of the Year

ANDY BROWN
Innovator of the year

ELENA DOYLE
Newcomer of the year

ANNA SHAW
Unsung Hero of the Year

3 PEAK CHALLENGE TEAM
Team of the Year

Our Vision

Our five year rolling strategy centres on our Group commercial activities in both the UK and overseas. To support those initiatives, we work to ensure we have well established operations and partners to support our business growth and development.

In the UK we will focus on the geographical expansion of the Vimto brand. Feel Good will concentrate on its position as a healthy natural soft drink and will have innovation as the core of its growth. With the newly acquired Noisy Drinks business, we will have a unique product portfolio for the Out of Home sector along with a population of new customers and consumers.

Internationally we will continue to develop and expand our large presence in the Middle East region. There also remain potential new territories in Africa which we will continue to evaluate and introduce new partners to realise further success. In addition, we continue to develop opportunities in new export markets to add to our successful international business.

As a truly diversified business, acquisition remains a key feature in our growth strategy. Any further acquisition either in the UK or overseas would be incorporated into our current business model characterised by outsourcing production and using third party distribution partners in the export markets.

Outlook

I am pleased with the performance by the Group during 2015. With the two acquisitions completed we look forward to 2016 with confidence and optimism. Feel Good and Noisy will be integrated into the Group's commercial activities and particular emphasis is being made into innovation to ensure all the brands are fit for the future.

Marnie Millard
Chief Executive Officer

2 March 2016


GUINNESS
AT GHC3 HERE
STAR Draft
Vimto


Vimto


#VIMTOAD


Levi Roots
Caribbean Crush


Vimto
Life tastes better with Vimto


#فيمتو_لك
#MyVimto
SALEH
REEMA
RANA
JOUD
JAWAD
MAJED
HESSA
LATIFA
ZAYAN
KHALID
NOURA
FAHAD
FAISAL

THE DIVERSIFICATION OF OUR BUSINESS IS A MAJOR CONTRIBUTOR TO OUR CONSISTENT GROWTH.

373,931

STRATEGIC REPORT
Financial Review

"I am pleased to report on another good year for Nichols plc, in addition to delivering near double digit growth in both profit before tax and earnings per share, we have completed two acquisitions to support our strategic growth plans over the coming years."

TIM CROSTON
Chief Financial Officer

I am pleased to report on another good year for Nichols plc, in addition to delivering near double digit growth in both profit before tax and earnings per share (pre exceptional items recognised in 2014), we have completed two acquisitions to support our strategic growth plans over the coming years.

Whilst revenue showed only marginal growth against the prior year, our strategy to focus on value over volume and the spread of the Group's trading activities beyond the challenges of the UK grocery market has delivered strong profit growth.

Income Statement

Total Group sales were £109.3m against a similar value in 2014 of £109.2m. On a constant currency basis, sales increased by 0.6%. The Group, and this review, makes use of a series of underlying results to monitor trading performance i.e. those before exceptional items recognised in the prior year. Exceptional items are discussed further in note 4 to the financial statements.

In aggregate, Group sales were evenly split between the Still and Carbonate segments. Whilst UK sales of Vimto Still showed a healthy 3% growth, total revenues from the Still category were behind the prior year due to a decline in dispensed juice sales. The increase in Carbonate sales was driven by a combination of UK dispense and exports to Africa.

Business Segments

Still

2014	56.0m
2015	54.5m

-2.7%

Carbonate

2014	53.2m
2015	54.8m

+3.0%

Total

2014	109.2m
2015	109.3m

+0.1%

OUT OF HOME SALES GREW BY

2%

MIDDLE EAST SALES INCREASED BY

4.9%

TOTAL GROSS PROFIT INCREASED BY

5.6%

UK Sales

UK sales totalled £84.8m marginally down on the 2014 value of £85.1m, but representing a slightly better performance than the UK soft drinks market which declined by 0.6% during the year (Nielsen year to 2 January 2016).

The positive news is that our ongoing strategy of focusing on value over volume i.e. driving sales of our higher margin products and limiting our participation in the deep promotional activity has delivered good profit growth despite the headline sales performance. This is demonstrated by the performance of the Vimto brand where we saw a 3% increase in sales of Still products driven by both our ready to drink and squash range. Conversely, Vimto Carbonate sales which compete in a heavily promoted category were 9% down on the prior year.

As referenced earlier, another strength of the Nichols business is that we operate in diverse markets both in the UK and overseas which helps to spread our risk. So whilst the UK grocery market remains challenging, it is important to note that nearly a third of our UK revenue is within the more vibrant Out of Home sector and our sales within this market grew by 2% compared to the prior year.

In support of our growth ambitions in the Out of Home sector, we initially acquired a 49% stake in The Noisy Drinks Company Limited (Noisy) in March 2015, providing the Group with significant influence over this company in the year. Noisy adds frozen drinks to our Out of Home portfolio in addition to both dispense and packaged soft drinks. Post the year end, we have acquired the remaining equity in Noisy and therefore the full revenue and profit impact will be reflected in our 2016 Income Statement.

International Sales

Keeping with the theme of diversity, reported sales for our international business were £24.5m, an increase of 1.6% compared to the prior year. The underlying performance is better still when judged on a constant currency basis; before currency fluctuations our international sales grew by 3.9% during the year.

Our largest export market is the Middle East where Vimto is particularly popular during the holy month of Ramadan. We are particularly pleased to report sales growth of 4.9% in the region during 2015 with sales totalling £12.4m (2014: £11.8m). This is despite the ongoing civil unrest in Yemen which had an adverse effect on sales in that particular territory.

Sales to Africa were £7.9m, 4.4% down compared to 2014 on a reported basis. However, these figures do not reflect the positive underlying growth of 3.2% when judged on a constant currency basis. It should be noted that approximately 90% of our sales to Africa are transacted in Euros which significantly weakened against sterling during 2015.

Elsewhere, sales in our remaining international markets totalled £4.2m (2014:£4.0m), an increase of 4.6% compared to the prior year.

With regard to the exchange rate impact reported above, it should be noted that the Group manages a 'natural currency hedge', whereby our foreign currency payments largely match income and therefore the net exchange rate exposure to profit is minimal.

Gross Profit

Total Gross Profit of £53.0m is £2.8m (5.6%) ahead of the prior year. It is important to note that the Group's strong profit growth has been delivered from trading activities; this is despite the relatively modest headline sales performance. The Gross Margin in 2015 was 48.5% compared to 45.9% in the prior year. The incremental profit is driven by a number of factors including the positive sales mix of Vimto in the UK and the growth of the higher margin international business.

Distribution Expenses

The majority of our distribution expenses relate to our UK business, the cost of £5.5m in 2015 was slightly higher (4%) than the prior year. The actual cost of distribution is in line with the prior year, the small increase as reported is due to a reallocation of distribution costs which were previously netted off sales with one of our grocery customers.

Administrative Expenses

Total cost of overheads in 2015 was £19.7m, which was £0.4m (2%) higher than the prior year (excluding exceptional items). I am pleased to report that the underlying trend shows a slight reduction during the year, as the 2015 administrative expenses include one-off transaction costs for the two acquisitions of £0.3m and restructuring costs of £0.2m.

Operating Profit

As a result of the strong Gross Profit growth and good control of overheads, the Operating Profit increased by 8.7% to £27.8m (2014: £25.6m).

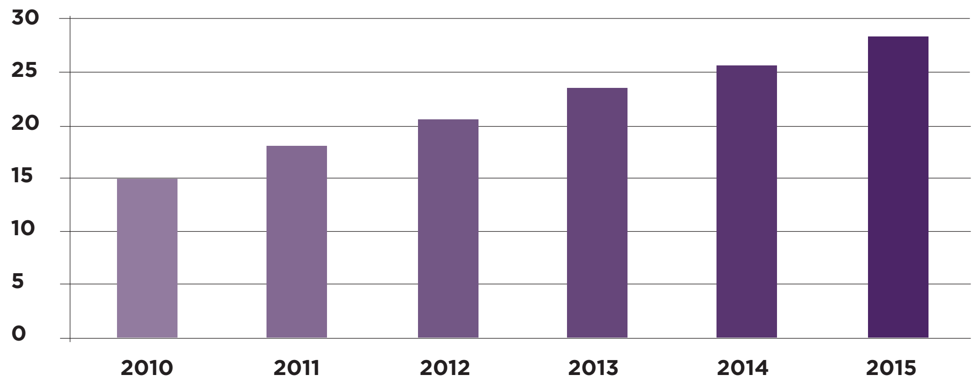
Share of Income from Associate

As referred to above, we acquired a 49% equity stake in The Noisy Drinks Company Limited in March 2015. Therefore, for 2015 we have accounted for 49% of the post-acquisition, post-tax profit which amounted to £0.2m.

Profit Before Tax

Profit Before Tax (PBT) increased by 8.9% to £28.0m (2014: £25.7m). The Group has an impressive record of increasing PBT by 86% in the last five years and delivering a CAGR of 13%.

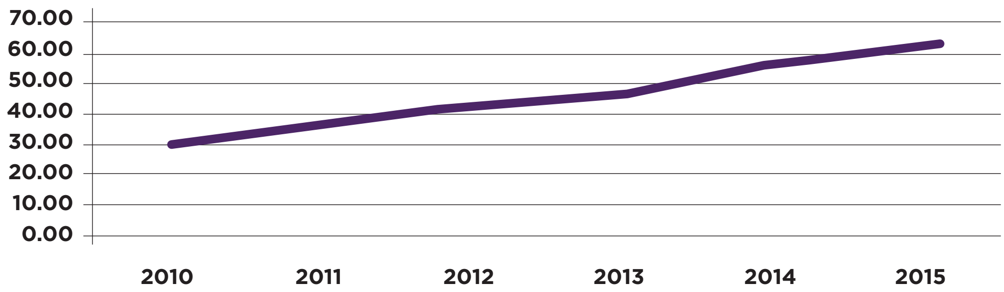
Profit Before Tax (pre exceptional items £m)



Earnings Per Share

Earnings Per Share increased by 9.6% to 60.33 pence (2014: 55.03 pence pre exceptional items). The Group's EPS has increased by 100% over the last five years with a CAGR of 15%.

EPS before exceptional items (pence per share)



Key Performance Indicators

As reported in more detail above, the following Key Performance Indicators are used by management to monitor the Group's Income Statement:

REVENUE GROWTH

+0.1%

The increase in the current year's revenue as a percentage of the prior year's total.

GROSS MARGIN

48.5%

Revenue less product cost as a percentage of revenue, reviewed specifically at individual product (Still and Carbonate) level.

OPERATING PROFIT MARGIN

25.4%

Group profit before financing income or charges as a percentage of revenue, which is considered for the Group as a whole rather than at product level.

Statement of Financial Position

Cash

2015 was atypical for Nichols in terms of cash flow; our year end cash balance was £35.4m (2014: £34.5m), a net cash flow of just £0.9m during the year. However, this was for good reason as we have been investing in the future growth potential of the Group. Cash generated from operating activities was £22.7m compared to post-tax profits of £22.2m, therefore demonstrating that our underlying cash generation remains strong.

As reported above, during the year we completed two strategic acquisitions to support our future growth plans, the cash cost of the two was £6.6m. In addition, we are investing in the capability and efficiency of our one production facility in Ross-on-Wye where we expended an initial £0.7m during 2015.

By exception, other points of note with regard to the Statement of Financial Position are:

- Property, Plant and Equipment increased by £1.8m (36%). This includes the £0.7m expenditure at our Ross-on-Wye plant and the operational investment in dispense equipment for our Out of Home business.
- Goodwill increased by £2.7m which was mainly the goodwill on acquisition of the Feel Good brand.
- Investments of £3.0m is the carrying value of our investment in Noisy at the year end.
- Intangibles (£1.3m) is the value of the Feel Good brand.
- Inventories decreased by £0.8m (16%). There is no specific reason other than timing differences of stock movements.
- Trade and other receivables increase of £4.3m (18%), again there are no specific issues other than timing of transactions.
- Pension liability reduced to £3.9m (2014: £6.2m) based on the actuary's report. The company has a recovery plan in place to fund the deficit.

Internal Control

The Nichols Group complies with the principles of good corporate governance and has an established process of control and risk management.

The Board is ultimately responsible for maintaining sound internal control systems to safeguard the investment of shareholders and the Group's assets. The systems are reviewed by the Board and are designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

Audit Committee

The Audit Committee members for 2015 were J Gittins (from 23 July 2015 replacing E Healey), P J Nichols and J Longworth. The terms of reference of the Committee include keeping under review the scope and results of the external audit. The Committee ensures the independence and objectivity of the external auditors, including the nature and extent of non-audit services supplied. Any further non-audit services with a value over £25,000 would require Nichols plc Board approval.

Risks and Uncertainties

Management consider the following issues to be the principal risks potentially affecting our business:

Risk	Mitigation
Unavailability of the Vimto compound – As the Vimto brand accounts for the majority of the Groups revenue, it is vital that we have surety of supply of the compound.	Working in partnership with our suppliers, we have established production capability at more than one location to ensure continuity of supply.
Loss of a major customer account.	We are dedicated to maintaining long-term relationships with all of our customers, but the Group's diverse income stream across markets and regions means we are not overly reliant on any one customer.
Loss of a production facility.	Our supply chain team work with our third party suppliers to ensure robust recovery plans are in place to ensure continuity of supply in the event of the loss of one of our production facilities.
Loss of our IT infrastructure - In common with many businesses, we are now also highly dependent on the availability of IT systems.	We have a robust disaster recovery plan including the use of third party professional providers to host our systems and data.

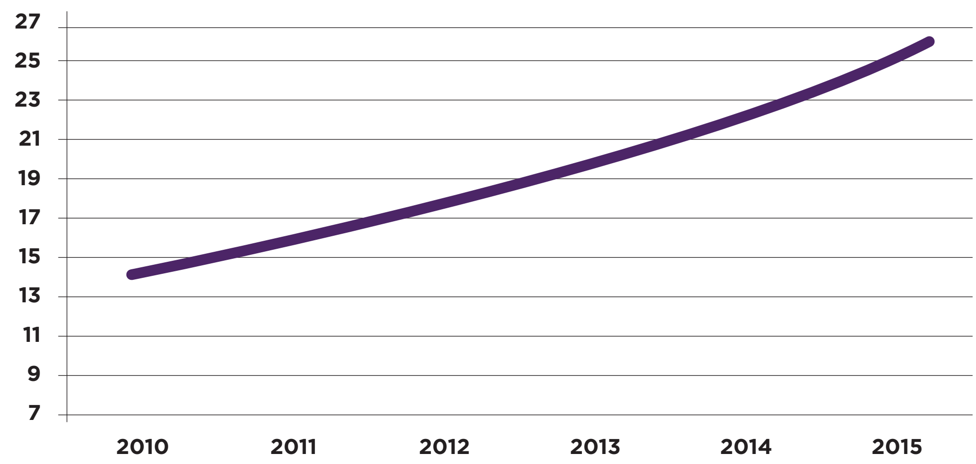
There are other risks from operating in the industry which affect all market participants, particularly those referred to in the Corporate Responsibility section of the Chief Executive's Review.

Shareholders

Dividend

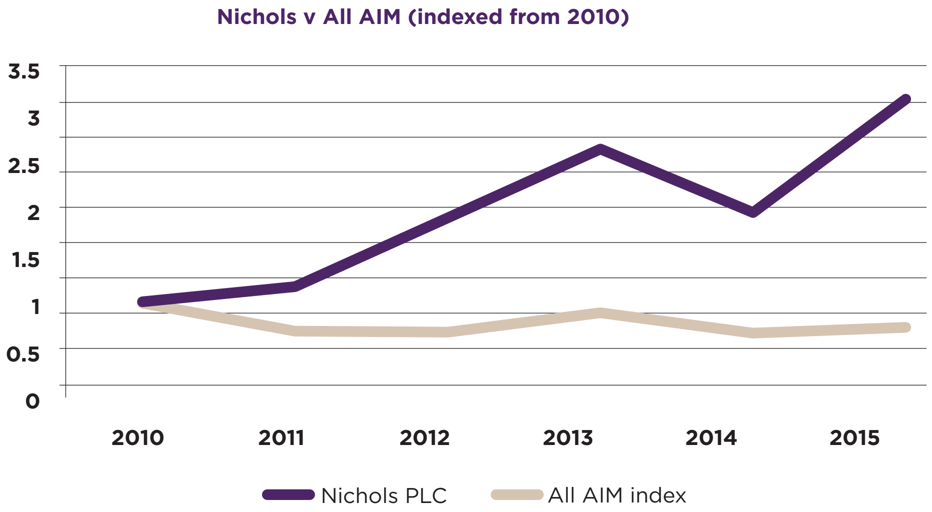
The Board is recommending a final dividend of 17.6 pence per ordinary share (2014: 15.3 pence) payable to shareholders on the register at 1 April 2016. The final dividend together with the interim dividend of 8.0 pence, gives a total dividend of 25.6 pence per share for the year, which represents a 14.3% increase on the prior year (2014: 22.4 pence).

Total Dividend (pence per share)



Share Price

The Nichols plc share price closed the year at 1,430 pence (2014: 900 pence), an increase of 58% during the year. The following graph charts the Group's share price performance compared to the All AIM index. For ease of comparison, both sets of data are shown as an index using 2010 as the base.



Going Concern

After making enquiries, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

Strategic Report

The Strategic Report on pages 4 to 29 was approved by the board of directors on 2 March 2016 and signed on its behalf by:

Tim Croston
Chief Financial Officer

2 March 2016

JOHN NICHOLS
Non-Executive Chairman

John is the grandson of the founder of the Company and inventor of Vimto, John Noel Nichols. John joined Nichols plc in 1971 and was appointed as Director in 1975. In 1986 John became the Group Managing Director, subsequently he became Executive Chairman of the Group and in 2007 he moved to Non-Executive Chairman.

John has three grown up children, two of whom also work for the Company. John spends his spare time sailing, playing golf and walking his dog on the beach in Wales.

MARNIE MILLARD
Chief Executive Officer

Marnie joined Nichols in October 2012 as Managing Director of Vimto Soft Drinks. In May 2013 she was appointed Chief Executive Officer. Marnie has vast experience in the soft drinks industry having occupied senior roles with Macaw Soft Drinks and Refresco Limited.

In April 2015, Marnie was appointed Regional Vice-Chairman of CBI Northwest and she is on the Board of Management and Executive Council of the British Soft Drinks Association.

Marnie is married, has two children and is also a proud grandmother to her grandson Freddie. Marnie enjoys attending concerts and relaxes by walking on the moors near her home.

TIM CROSTON
Chief Financial Officer

Tim joined the Group as Group Financial Controller in 2005. He became Finance and Operations Director of Vimto Soft Drinks in 2007 and was appointed to the plc Board as Chief Financial Officer in January 2010.

In December 2015 Tim was appointed, in a Non-Executive capacity, to the Audit Committee of Riverside Housing Association, a leading provider of UK social housing. Previously, Tim held financial controller positions at Polyone Inc. and at Smith and Nephew plc.

Tim has two teenage children with his wife Sue. Tim is an avid and lifelong Manchester City fan and likes to attend both home and away matches with his family.

ANDREW MILNE
Group Commercial Director

Andrew joined Nichols as the Commercial Director for Vimto Soft Drinks in July 2013. He was appointed to the plc Board on 1 January 2016.

Andrew also has extensive experience in the soft drinks industry having previously worked as Sales Director for the Northern region at Coca Cola Enterprises and prior to that, as Trading Director at GlaxoSmithKline.

Andrew has two young children with his wife Debbie. Andrew is a keen Manchester United fan and spends what spare time he has either watching or playing sport.

JOHN LONGWORTH
Independent Non-Executive Director

John has extensive experience at director level in various organisations, including Asda, Tesco Stores Limited and as Director General of the British Chambers of Commerce and panel member of the Competition Commission.

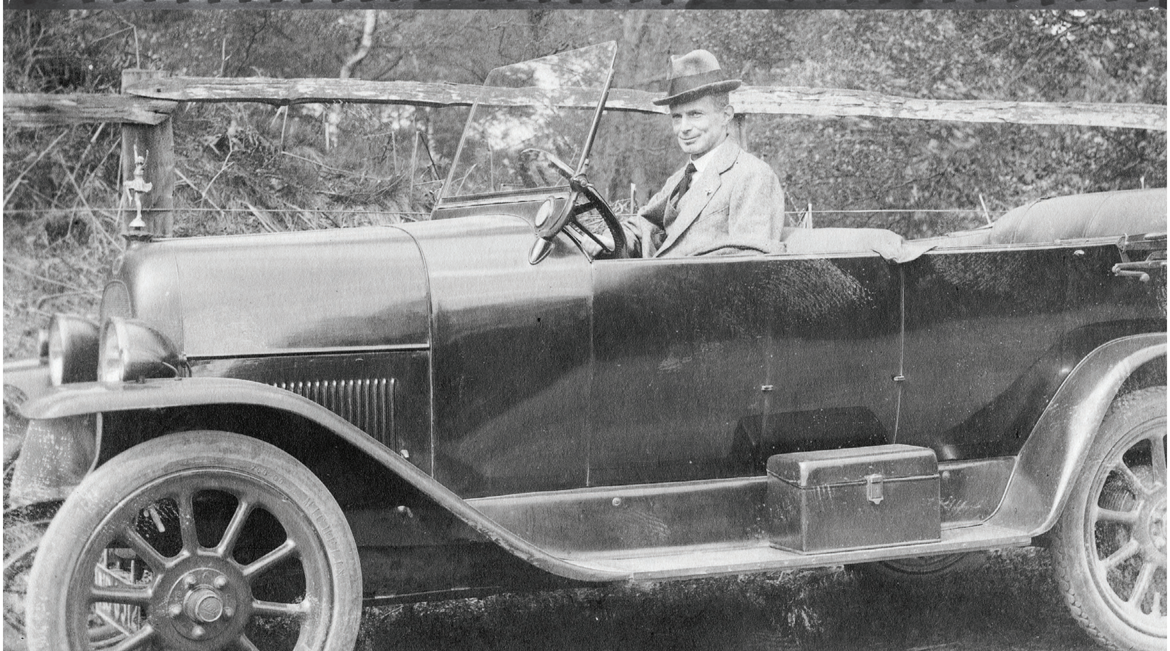
In addition, John is Chairman of SVA Limited, a business he founded in 2010. John was appointed to the Board of Nichols in November 2010 and is also a member of both the Audit and Remuneration Committees.

JOHN GITTINS
Independent Non-Executive Director

John is a graduate of the London School of Economics and a chartered accountant. He was appointed to the Board of Nichols as an Independent Non-Executive Director in July 2015 and is a member of both the Audit Committee (which he chairs) and the Remuneration Committee.

John is currently CFO of AIM listed Fairpoint Group plc and has over 20 years experience of CFO roles in companies such as Begbies Traynor Group plc, Spring Group plc and Vertex Data Science Limited. John was also previously an independent Non-Executive Director and the Audit Committee chair of Electricity North West Limited for six years.


YES SIR, IT'S
VIMTO!
The TONIC DRINK
with the fine flavour.
Obtainable at all Temperance Bars.
"One good tip deserves another!"



THE BOARD IS PLEASED WITH THE 2015 PERFORMANCE AND IS CONFIDENT THAT THE GROUP IS WELL PLACED TO CONTINUE THE TREND INTO 2016

The directors present their report and the audited financial statements for the year ended 31 December 2015.

Non-Executive Directors

J Longworth

J Gittins (Appointed 1 August 2015)

E Healey (Resigned 4 March 2015)

P J Nichols

All of the above are members of the audit and remuneration committees of the Board.

Executive Directors

M J Millard

T J Croston

A Milne (Appointed 1 January 2016)

Financial Risk Management Objectives and Policies

Business risks and uncertainties are included within the Financial Review on pages 22 to 29 and financial risks are set out in note 21 to the financial statements.

Employees

The Group's policy is to recruit and promote on the basis of aptitude and ability without discrimination of any kind. Applications for employment by disabled people are always fully considered bearing in mind the qualification and abilities of the applicants. In the event of employees becoming disabled, every effort is made to ensure their continued employment.

The management of the individual operating companies consult with employees and keep them informed on matters of current interest and concern to the business.

Political Donations

There were no political donations in either 2015 or 2014.

Share Options

The Company operates a Save As You Earn share option scheme. In conjunction with this, it makes donations to an Employee Share Ownership Trust to enable shares to be bought in the market to satisfy the demand from option holders.

Share Capital

The resolutions concerning the ability of the Board to purchase the Company's own shares and to allot shares are again being proposed at the Annual General Meeting.

In exercising its authority in respect of the purchase and cancellation of the Company's shares, the Board takes as its major criterion the effect of such purchases on future expected earnings per share. No purchase is made if the effect is likely to be deterioration in future expected earnings per share growth. During the year, the Company did not purchase any of its own shares.

The Board believes that being permitted to allot shares within the limits set out in the resolution without the delay and expense of a general meeting gives the ability to take advantage of circumstances that may arise during the year.

Auditors

In accordance with Section 489 of the Companies Act 2006 a resolution will be proposed at the Annual General Meeting that BDO LLP be re-appointed auditors.

Directors' remuneration payable in year ended 31 December 2015

	Salary and fees	Benefits in kind	Bonuses	Pension contributions	Total 2015	Total 2014
	£'000	£'000	£'000	£'000	£'000	£'000
P J Nichols	100	2	0	0	102	103
M J Millard	224	16	132	15	387	344
T J Croston	174	18	99	15	306	264
J Longworth	22	0	0	1	23	23
E Healey	6	0	0	0	6	22
J Gittins	13	0	0	0	13	0
Total	539	36	231	31	837	756

Each of the directors who are directors at the time when this directors' report is approved have confirmed that:

- so far as each of the directors is aware there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under Company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and Group for that period.

The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.

The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing

Summary of directors' interests in the Company

(Number of Shares)	Opening shareholding	2015 movement	Closing shareholding
P J Nichols	2,077,060	(77,060)	2,000,000
M J Millard	0	0	0
T J Croston	17,250	357	17,607
J Longworth	140	0	140
E Healey	0	0	0
J Gittins	0	0	0

integrity of the financial statements contained therein.

Directors' Indemnity

The Group has agreed to indemnify its directors against third party claims which may be brought against them and has in place an officers' insurance policy.

Directors' Remuneration

Bonuses which are not guaranteed are accruing to the executive directors and certain senior executives based on pre-determined performance targets. The Remuneration Committee have considered it appropriate to issue awards under an incentive plan (the Growth Securities Ownership Plan (GSOP)) relating to growth in operating profit before exceptional items.

The current GSOP runs from 1 January 2014 to 31 December 2016 and the remuneration level at grant was linked to a theoretical number of shares equivalent in value to no more than twelve months salary for each year of the incentive scheme.

In respect of the scheme, the second years performance criteria has been met and as a result, the Group has provided for a potential bonus in 2015 of £477,000 for the two executive directors at 31 December 2015, which will be payable subsequent to the year ended 31 December 2016 if group targets continue to be met. The Group has also provided for a potential bonus of £247,000 for M J Millard at 31 December 2015, which will be payable subsequent to the year ended 31 December 2016, upon completion of three years service to the group.

Growth in 2015 operating profit before exceptional items of 8.7% was achieved. As a result of targets being met, the maximum potential bonus is currently being accrued and apportioned to executive directors and certain senior executives.

P J Nichols is a member of the final salary pension scheme and M J Millard and T J Croston have a personal pension plan. The Company contributions to the respective schemes are shown in the above table.

A summary of directors' interests in the company are shown in the table above.

All figures above relate to shares owned outright, please refer to note 19 to the financial statements for details of share options relating to directors.

By order of the board

Tim Croston
Secretary

2 March 2016

Laurel House, Woodlands Park,
Ashton Road, Newton-Le-Willows, WA12 0HH

Registered in England and Wales No. 238303

Independent Auditor's report to the members of Nichols plc

We have audited the financial statements of Nichols plc for the year ended 31 December 2015 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Group and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statement of Cash Flows, the Group and Parent Company Statement of Changes in Equity and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006.

Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland).

Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on Financial Statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 December 2015 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs

as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and

- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Philip Storer
(Senior Statutory Auditor)

For and on behalf of BDO LLP,
statutory auditor, Manchester,
United Kingdom.

2 March 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

OUR ADVISORS

Auditors

BDO LLP, 3 Hardman Street,
Spinningfields, Manchester,
M3 3EB.

Bankers

The Royal Bank of Scotland PLC, 1
Spinningfields Square, Manchester,
M3 3AP.

Solicitors

DLA Piper, 101 Barbirolli Square,
Manchester, M2 3DL.

Stockbrokers & Nominated Advisor

N+1 Singer Advisory LLP, West
One Wellington Street, Leeds,
LS1 1BA.

Financial Advisors

N M Rothschild & Sons Limited, 82
Kings Street, Manchester,
M2 4WQ.

Registrars

Capita Registrars Limited,
Northern House, Woodsome Park,
Fenay Bridge, Huddersfield,
HD8 0GA.

Registered Office

Laurel House, Woodlands Park,
Ashton Road, Newton-Le-Willows,
WA12 0HH.

Registered Number

238303.

CONSOLIDATED INCOME STATEMENT
YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £'000	2014 Before exceptional items £'000	2014 Exceptional litigation costs £'000 (Note 4)	2014 Total £'000
Revenue	3	**109,279**	109,205	0	109,205
Cost of sales		**(56,296)**	(59,035)	0	(59,035)
Gross profit		**52,983**	50,170	0	50,170
Distribution expenses		**(5,483)**	(5,271)	0	(5,271)
Administrative expenses		**(19,666)**	(19,302)	(7,768)	(27,070)
Operating profit	4	**27,834**	25,597	(7,768)	17,829
Finance income	5	**213**	257	0	257
Finance expense	5	**(201)**	(164)	0	(164)
Share of post-tax profits of equity accounted associate	12	**190**	0	0	0
Profit before taxation		**28,036**	25,690	(7,768)	17,922
Taxation	7	**(5,803)**	(5,413)	1,637	(3,776)
Profit for the financial year attributable to equity holders of the parent		**22,233**	20,277	(6,131)	14,146
Earnings per share (basic)	9	**60.33p**			38.39p
Earnings per share (diluted)	9	**60.25p**			38.34p

The accompanying accounting policies and notes form an integral part of these financial statements.

All results relate to continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2015

	2015 £'000	2014 £'000
Profit for the financial year	**22,233**	14,146
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of net defined benefit liability (see note 26)	**1,632**	(2,796)
Deferred taxation on pension obligations and employee benefits (see note 14)	**(274)**	436
Other comprehensive income/(expense) for the year	**1,358**	(2,360)
Total comprehensive income for the year	**23,591**	11,786

STATEMENT OF FINANCIAL POSITION
YEAR ENDED 31 DECEMBER 2015

		Group		Parent	
	Notes	**2015 £'000**	2014 £'000	**2015 £'000**	2014 £'000
Assets					
Non-current assets					
Property, plant and equipment	10	**6,061**	4,817	**3,928**	3,759
Goodwill	11	**19,108**	16,447	**2,504**	0
Investments	12	**0**	0	**16,566**	16,566
Investment in equity accounted associate	12	**2,970**	0	**0**	0
Intangibles	13	**1,316**	0	**1,316**	0
Deferred tax assets	14	**1,098**	1,699	**1,098**	1,699
Total non-current assets		**30,553**	22,963	**25,412**	22,024
Current assets					
Inventories	15	**3,945**	4,712	**2,430**	2,634
Trade and other receivables	16	**27,860**	23,525	**20,765**	21,120
Cash and cash equivalents	20	**35,438**	34,483	**22,907**	19,124
Total current assets		**67,243**	62,720	**46,102**	42,878
Total assets		**97,796**	85,683	**71,514**	64,902
Liabilities					
Current liabilities					
Trade and other payables	17	**18,127**	19,486	**16,981**	17,210
Current tax liabilities	17	**2,679**	1,859	**1,160**	1,090
Total current liabilities		**20,806**	21,345	**18,141**	18,300
Non-current liabilities					
Pension obligations and employee benefits	26	**3,893**	6,190	**3,893**	6,190
Deferred tax liabilities	14	**86**	70	**0**	0
Total non-current liabilities		**3,979**	6,260	**3,893**	6,190
Total liabilities		**24,785**	27,605	**22,034**	24,490
Net assets		**73,011**	58,078	**49,480**	40,412
Equity					
Share capital	18	**3,697**	3,697	**3,697**	3,697
Share premium reserve		**3,255**	3,255	**3,255**	3,255
Capital redemption reserve		**1,209**	1,209	**1,209**	1,209
Other reserves		**(547)**	(560)	**228**	215
Retained earnings		**65,397**	50,477	**41,091**	32,036
Total equity		**73,011**	58,078	**49,480**	40,412

The financial statements on pages 38 to 67 were approved by the Board of Directors on 2 March 2016 and were signed on its behalf by:

P. J. Nichols

PJ Nichols
Chairman

The accompanying accounting policies and notes form an integral part of these financial statements.

Registered number 238303

CONSOLIDATED INCOME STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Cash flows from operating activities					
Profit for the financial year			**22,233**		14,146
Adjustments for:					
Depreciation		**502**		480	
Loss/(profit) on sale of property, plant and equipment		**16**		(80)	
Finance income	5	**(213)**		(257)	
Tax expense recognised in the income statement		**5,803**		3,776	
Change in inventories		**767**		(568)	
Change in trade and other receivables		**(4,335)**		(787)	
Change in trade and other payables		**(1,359)**		1,324	
Change in provisions		**0**		(2,018)	
Change in pension obligations and employee benefits		**(665)**		(653)	
			516		1,217
Cash generated from operating activities			**22,749**		15,363
Tax paid			**(4,639)**		(3,465)
Net cash generated from operating activities			**18,110**		11,898
Cash flows from investing activities					
Finance income		**213**		239	
Proceeds from sale of property, plant and equipment		**5**		124	
Acquisition of property, plant and equipment		**(1,768)**		(4,034)	
Acquisition of subsidiary, net of cash acquired		**(157)**		(85)	
Acquisition of trade and assets		**(3,820)**		(305)	
Acquisition of associate investment		**(2,970)**		0	
Net cash used in investing activities			**(8,497)**		(4,061)
Cash flows from financing activities					
Share options exercised		**(69)**		(129)	
Dividends paid	8	**(8,589)**		(7,518)	
Net cash used in financing activities			**(8,658)**		(7,647)
Net increase in cash and cash equivalents			**955**		190
Cash and cash equivalents at 1 January			**34,483**		34,293
Cash and cash equivalents at 31 December	20		**35,438**		34,483

The accompanying accounting policies and notes form an integral part of these financial statements.

PARENT COMPANY STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Cash flows from operating activities					
Profit for the financial year			**15,974**		8,441
Adjustments for:					
Depreciation		**271**		272	
Loss on sale of property, plant and equipment		**2**		14	
Finance income		**(213)**		(257)	
Tax expense recognised in the income statement		**4,266**		2,258	
Change in inventories		**205**		(452)	
Change in trade and other receivables		**355**		(548)	
Change in trade and other payables		**(229)**		(5,897)	
Change in provisions		**0**		(2,018)	
Change in pension obligations and employee benefits		**(665)**		(653)	
			3,992		(7,281)
Cash generated from operating activities			**19,966**		1,160
Tax paid			**(3,868)**		(1,913)
Net cash generated from/(used up in) operating activities			**16,098**		(753)
Cash flows from investing activities					
Finance income		**213**		239	
Acquisition of property, plant and equipment		**(441)**		(3,679)	
Acquisition of business trade and assets		**(3,820)**		0	
Hive-up of dormant subsidiaries		**390**		0	
Net cash used in investing activities			**(3,658)**		(3,440)
Cash flows from financing activities					
Share options exercised		**(68)**		(129)	
Dividends paid	8	**(8,589)**		(7,518)	
Net cash used in financing activities			**(8,657)**		(7,647)
Net increase/(decrease) in cash and cash equivalents			**3,783**		(11,840)
Cash and cash equivalents at 1 January			**19,124**		30,964
Cash and cash equivalents at 31 December	20		**22,907**		19,124

The accompanying accounting policies and notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2015

Group

	Called up share capital £'000	Share premium reserve £'000	Capital redemption reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 1 January 2014	3,697	3,255	1,209	(598)	46,376	53,939
Dividends	0	0	0	0	(7,518)	(7,518)
Movement in ESOT	0	0	0	38	(167)	(129)
Transactions with owners	0	0	0	38	(7,685)	(7,647)
Profit for the year	0	0	0	0	14,146	14,146
Other comprehensive expense	0	0	0	0	(2,360)	(2,360)
Total comprehensive income	0	0	0	0	11,786	11,786
At 1 January 2015	3,697	3,255	1,209	(560)	50,477	58,078
Dividends	0	0	0	0	(8,589)	(8,589)
Movement in ESOT	0	0	0	13	(82)	(69)
Transactions with owners	0	0	0	13	(8,671)	(8,658)
Profit for the year	0	0	0	0	22,233	22,233
Other comprehensive income	0	0	0	0	1,358	1,358
Total comprehensive income	0	0	0	0	23,591	23,591
At 31 December 2015	**3,697**	**3,255**	**1,209**	**(547)**	**65,397**	**73,011**

Parent

	Called up share capital £'000	Share premium reserve £'000	Capital redemption reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 1 January 2014	3,697	3,255	1,209	177	33,640	41,978
Dividends	0	0	0	0	(7,518)	(7,518)
Movement in ESOT	0	0	0	38	(167)	(129)
Transactions with owners	0	0	0	38	(7,685)	(7,647)
Profit for the year	0	0	0	0	8,441	8,441
Other comprehensive expense	0	0	0	0	(2,360)	(2,360)
Total comprehensive income	0	0	0	0	6,081	6,081
At 1 January 2015	3,697	3,255	1,209	215	32,036	40,412
Dividends	0	0	0	0	(8,589)	(8,589)
Movement in ESOT	0	0	0	13	(81)	(68)
Transactions with owners	0	0	0	13	(8,670)	(8,657)
Profit for the year	0	0	0	0	16,366	16,366
Other comprehensive income	0	0	0	0	1,358	1,358
Total comprehensive income	0	0	0	0	17,724	17,724
At 31 December 2015	**3,697**	**3,255**	**1,209**	**228**	**41,090**	**49,479**

1. Reporting entity

Nichols plc (the "Company") is a company incorporated and domiciled in the United Kingdom, listed on the Alternative Investment Market. The address of the Company's registered office is Laurel House, Woodlands Park, Ashton Road, Newton-Le-Willows, WA12 0HH. The consolidated financial statements of the Company as at and for the year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily engaged in the supply of soft drinks to the retail, wholesale, catering, licensed and leisure industries.

2. Accounting policies

Basis of preparation

The consolidated and parent Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the Companies Act 2006 as applicable to companies reporting under IFRS.

The financial statements were approved by the Board of Directors on 2 March 2016. The accounting policies have been applied consistently by the Group.

An income statement is not provided for the parent Company as permitted by Section 408 of the Companies Act 2006.

The profit dealt with in the parent company financial statements of Nichols plc was £15,974,000 (2014: £8,441,000).

Functional and presentational currency

These consolidated financial statements are presented in sterling, which is also the functional currency of the parent and subsidiary companies.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Carrying value of brand support accruals

The Group incurs significant costs in the support and development of the Group's brands. Judgement is required in determining the level of closing accrual required at a year end for promotions and brand support campaigns that either span two financial years or where the costs have not been fully settled by the year end date. This includes sales related discounts which are included within revenue as disclosed in the revenue recognition policy below. Based on the timing of the agreements entered into with customers in the year, the level of estimation in the year end accrual is insignificant. The majority of costs incurred on the arrangements (and therefore deduction to revenue) have been settled at 31 December 2015.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value (see note 11).

The carrying amount of goodwill at the reporting date was £19.1 million (2014: £16.4 million).

Defined benefit obligations

For the Group's defined benefit plan, the main assumptions used by the actuary are the rate of future salary increases, the rate of increase in pensions in payment, the discount rate and the expected rate of inflation (see note 26).

Basis of consolidation and goodwill

The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to 31 December 2015. Subsidiaries are entities controlled by the Group. Control exists if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-Group balances and any unrealised gains and losses arising from intra-Group transactions are eliminated in preparing the consolidated financial statements. All Group companies have coterminous year ends.

Acquisitions of subsidiaries are dealt with by the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated statement of financial position at their fair values, which are also used as the basis for subsequent measurement in accordance with Group accounting policies.

Goodwill is stated after separating out identifiable assets. Goodwill represents the excess of the fair value of the consideration transferred over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Revenue recognition

Revenue from the sale of goods is calculated on the basis of the invoiced price, less any agreed discounts or rebates and excluding VAT and after the deduction of certain promotional and brand support costs invoiced by customers.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, the amount of revenue can be measured reliably, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods. With regards to discounts, rebates, promotional costs and brand support costs, these costs are calculated to reflect the expected amount of customer claims in respect of these items. The statement of financial position includes accruals for claims yet to be received for discounts, rebates and promotional costs.

Transfer of risks and rewards vary depending on the individual term of the contract of sale. For sales in the UK, transfer occurs when the product is despatched to the customer. However, for some international shipments, transfer occurs either upon loading the goods onto the relevant carrier or when the goods have arrived in the overseas port. The point of transfer for international shipments is dictated by the terms of each sale.

Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the management committee (as chief operating decision maker) to make decisions about resources to be allocated to the segment and assess its performance.

Segment results that are reported to the management committee include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment reporting for the Group is made to the gross profit level for the operating segments but no segment reporting is made for further expenditure or for the assets and liabilities of the Group. The assets and liabilities of the Group are reported as Group totals and no reporting of these balances is recorded at a segment level. As a result all of the Group's assets and liabilities are unallocated items and no reconciliation of segment assets to the Group's total assets is prepared.

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at exchange rates at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the consolidated income statement in the period in which they arise.

During 2015 the Group entered into foreign currency transactions that over the course of the year resulted in the Group having a natural hedge. This then meant the Group did not need to enter into forward contracts to minimise the impact of movements in foreign currency rates on the spot market.

Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income/(expense), in which case it is recognised in comprehensive income.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using rates which are enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised using the balance sheet liability method, with no discounting, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, provided they are enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Brands

Brands acquired in a business combination are recognised at fair value at the acquisition date. Brands acquired separately through a business combination are assessed at the date of acquisition as to whether they have an indefinite life. The assessment includes whether the brand name will continue to trade, and the expected lifetime of the brand. All brands acquired to date have been assessed as having an indefinite life as they are expected to continue to contribute to the long term future of the Group. The brands are reviewed annually for impairment, being carried at cost less accumulated impairment charges. The fair value of a brand at the date of acquisition is based on the Relief from Royalties method, which is a valuation model based on discounted cash flows.

Reserves

Share capital represents the nominal value of equity shares.

Share premium represents the excess over nominal value of the fair value of the consideration received for equity shares.

Capital redemption reserve represents the reserve created upon redemption of shares.

Other reserves incorporate purchase of own shares, movements in the Group's ESOT and the IFRS 2 "Share-based payment" charge for the year.

Retained earnings represents retained earnings.

Impairment

The carrying values of the Group's non-current assets are reviewed at each reporting date to determine whether there is any indication of impairment. Goodwill is reviewed for impairment annually. All property, plant and equipment is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication of impairment exists then the asset's recoverable amount is estimated.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using the cost of capital that reflects the current market assessments of the time value of money and the risks specific to the cash-generating unit. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. Impairment losses are recognised in the income statement.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Depreciation is calculated on a straight line basis to write down the cost less estimated residual value on property, plant and equipment over their estimated useful lives.

The estimated useful lives for the current and comparative periods are as follows:

Property, plant and equipment	3-10 years
Land and buildings	50 years

Material residual value estimates and useful economic lives are updated at least annually.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Financial assets

The Group's financial assets comprise primarily cash, bank deposits and trade receivables that arise from its business operations. Financial assets are a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise deposits with banks and bank and cash balances.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provisions for impairment. A provision for impairment of trade receivables is established when there is evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable, such as significant financial difficulties on the part of the counterparty or default or significant delay in payment.

Financial liabilities

The Group's financial liabilities comprise trade and other payables. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instruments. Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Leased assets

Operating leases and the payments are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Post-employment benefit plans

The Group provides post-employment benefits through various defined contribution and defined benefit plans.

Employee benefit - Growth Securities Ownership Plan (GSOP)

An accrual is recognised in respect of an incentive plan (the Growth Securities Ownership Plan (GSOP)) that will see amounts payable to employees and directors subsequent to the year ended 31 December 2016 if group targets continue to be met. The quantum of the accrual is based on target growth in operating profit before exceptional items linked to a theoretical number of shares and a theoretical share price-earnings ratio. The quantum of the accrual is reassessed at each year-end based on the performance of the Group against the target set.

Defined contribution plan

The Group pays fixed contributions into independent entities in relation to plans and insurances for individual employees. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

Defined benefit plan

Under the Group's defined benefit plan, the amount of pension benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets.

Management estimates the DBO annually with the assistance of independent actuaries. This is based on the standard rates of inflation, salary growth and mortality. Discount factors are determined close to each year end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Service cost on the net defined benefit liability is included in employee benefits expense. Net interest expense on the net defined benefit liability is included in finance costs. Remeasurement of the DBO, comprising actuarial gains and losses and the return on scheme assets (excluding interest), are recognised in the statement of other comprehensive income in the year in which they arise.

Share-based payment transactions

The Group's equity-settled share-based payments comprise the grant of options under the Group's share option schemes.

The Group recognises an expense to the income statement representing the fair value of outstanding equity-settled share-based payment awards to employees which have not vested as at 1 January 2015 for the year ending 31 December 2015.

Those fair values are charged to the income statement over the relevant vesting period adjusted to reflect actual and expected vesting levels. The Group calculates the fair market value of the options as being based on the market value of a company's share at the date of grant adjusted to reflect the fact that an employee is not entitled to receive dividends over the relevant holding period.

The total amount to be expensed over the vesting period is determined with reference to the fair value of options granted, excluding the impact of any non market vesting conditions. Non market vesting conditions are included in the assumptions about the number of options expected to vest. At each reporting date the Group revises its estimate of the number of options expected to vest.

It recognises the impact of revisions to original estimates, if any, in the income statement, with a corresponding adjustment to equity. The proceeds received, net of any directly attributable transaction costs, are managed by the ESOT, therefore there is no impact on share capital and share premium when the options are exercised.

Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

A provision for potential costs of a legal claim is recognised when management have considered the merits of the claim and taken appropriate legal advice as to the outcome of the litigation.

Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Employee Share Ownership Trust

The assets and liabilities of the Employee Share Ownership Trust ("ESOT") have been included in the consolidated financial statements.

The costs of purchasing own shares held by the ESOT are shown as a deduction against equity. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the consolidated income statement.

Investments in subsidiaries

Investments in subsidiaries are shown in the parent Company statement of financial position at cost less any provision for impairment.

Investments in associates

Associates are entities over which the Group has significant influence but does not control, generally accompanied by a share of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method.

Standards and interpretations in issue not yet adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 9, Financial instruments

IFRS 15, Revenue from contracts with customers

Amendments to IFRS 10, IFRS 12 and IAS 28, Consolidated Financial Statements and Investments in Associates and Joint Ventures

Amendments to IFRS 11, Joint Arrangements

Amendments to IAS 1, Disclosure initiative

Amendments to IAS 16 and IAS 38, Clarification of Acceptable Methods of Depreciation and Amortisation

Annual Improvements to IFRSs, 2012–2014 Cycle

The directors are currently considering the potential impact of adoption of these standards and interpretations in future periods on the consolidated financial statements of the Group.

Adoption of new and revised standards

In the current year, the Annual Improvements to IFRSs 2011-2013 Cycle, effective 1 January 2015, has been adopted. The directors do not consider that the adoption has had a material impact on the Group or parent Company results.

3. Segmental information

a. Key Operating segments

The Management Committee analyses the Group's internal reports to enable an assessment of performance and allocation of resources. The operating segments are based on these reports.

The Management Committee considers the business from a product perspective and reviews the Group on the operating segments identified below. There has been no change to the segments during the year. Based on the nature of the products sold by the Group, the types of customers and methods of distribution management consider reporting operating segments at the Still and Carbonate level to be reasonable. Gross profit is the measure used to assess the performance of each operating segment as identified as a KPI in the Financial Review.

	Revenue		**Gross Profit**	
	2015 £'000	2014 £'000	**2015 £'000**	2014 £'000
Still	**54,439**	56,025	**31,962**	30,756
Carbonate	**54,840**	53,180	**21,021**	19,414
Total	**109,279**	109,205	**52,983**	50,170

There are no sales between the two operating segments and all revenue is earned from external customers.

The operating segments gross profit is reconciled to profit before taxation as per the consolidated income statement.

The Group's overheads are managed centrally by the Management Committee and consequently there is no reconciliation to profit before tax at a segmental level.

The Group's assets are managed centrally by the Management Committee and consequently there is no reconciliation between the Group's assets per the statement of financial position and the segment assets.

	2015 £'000	2014 £'000
Capital Expenditure	**1,767**	4,035
Depreciation	**502**	480

b. Reporting by geographic area

Revenue by geographic destination

	2015 £'000	2015 %	**2014 £'000**	2014 %
Middle East	**12,365**	11.3	**11,789**	10.8
Africa	**7,922**	7.2	**8,289**	7.6
Rest of the World	**4,182**	3.9	**3,997**	3.6
Total exports	**24,469**	22.4	**24,075**	22.0
United Kingdom	**84,810**	77.6	**85,130**	78.0
	109,279	100.0	**109,205**	100.0

Revenue from continuing operations arose principally from the provision of goods.

The Group's business segments operate in the Middle East, Africa, the Rest of the World and the United Kingdom. The Group's Head Office operations are located in the United Kingdom. In presenting information on the basis of geographical areas, area revenue is based on the geographical location of customers and not on the legal entity in which the transaction occurred.

No individual customer accounts for 10% or more of the Group's revenue in either 2015 or 2014.

Total assets

The assets of the Group at 31 December 2015 and 31 December 2014 are entirely located within the United Kingdom.

Capital expenditure

The capital expenditure of the Group for the years ended 31 December 2015 and 31 December 2014 was entirely made within the United Kingdom.

Depreciation

The Group's depreciation charges for the years ended 31 December 2015 and 31 December 2014 are against property, plant and equipment all retained within the United Kingdom.

4. Operating profit

	2015 £'000	2014 £'000
Operating profit is stated after charging/(crediting):		
Inventory amounts charged to cost of sales	**56,296**	59,035
Grant Thornton remuneration whilst auditor:		
Non-audit services	**0**	72
BDO LLP remuneration before auditor:		
Non-audit services; other services	**0**	175
BDO LLP remuneration whilst auditor:		
Audit services of the company's annual accounts	**55**	55
Non-audit services; corporate finance services	**11**	35
Depreciation of property, plant and equipment	**502**	480
Operating lease rentals payments	**536**	576
Awards under Growth Securities Ownership Plan	**1,017**	929
Loss/(gain) on foreign exchange differences	**316**	(157)
Loss/(profit) on sale of property, plant and equipment	**16**	(80)

Exceptional expenses included within administrative expenses are summarised below;

	2015 £'000	2014 £'000
Litigation costs	**0**	7,678
Total	**0**	7,678

The prior year exceptional costs related to the settlement of a litigation claim with Gul Bottlers (PVT) Ltd.

5. Finance income and expense

	Notes	2015 £'000	2014 £'000
Finance income comprises:			
Bank interest receivable		**213**	257
Finance expense comprises:			
Net interest income on defined benefit pension scheme assets	26	**(820)**	(1,001)
Interest on defined benefit pension scheme obligations	26	**1,021**	1,165
Finance expense		**201**	164

6. Directors and employees

a. Average number of persons employed during the year, including directors:	2015 Number	2014 Number
Total	**178**	171

b. Group employment costs were as follows:	2015 £'000	2014 £'000
Wages and salaries	**7,677**	7,155
Social security costs	**736**	782
Pension costs - defined contribution scheme	**304**	333
Pension costs - defined benefit scheme (see note 26)	**37**	103
Accrued under 2014 - 2016 Growth Securities Ownership Plan	**1,017**	929
	9,771	9,302

The employment costs for the parent Company amounted to £8,724,000 (2014: £7,911,000).

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the Company listed on page 33.

	2015 £'000	2014 £'000
Wages and salaries	**806**	565
Pension costs	**31**	25
Awards under annual Growth Securities Ownership Plan	**0**	165
Accrued under 2014 - 2016 Growth Securities Ownership Plan	**477**	471
Accrued under Long Term Incentive Plan	**247**	0
	1,561	1,226

The highest paid director has received £386,000 (2014: £331,000) excluding pension contributions.

Benefits are accruing to 3 directors (2014: 2 directors) under a defined contribution scheme, the highest paid director has received contributions of £15,000 in the year.

Further information regarding directors' remuneration and the Growth Securities Ownership Plan is provided in the directors' report on pages 32 to 35.

7. Taxation

a. Analysis of expense recognised in the consolidated income statement	2015 £'000	2014 £'000
Current taxation:		
UK corporation tax on income for the year	5,425	3,771
Adjustments in respect of prior years	33	(123)
Total current tax charge for the year	5,458	3,648
Deferred tax:		
Origination and reversal of temporary differences	429	166
Adjustments in respect of prior years	(84)	(38)
Total deferred tax charge for the year	345	128
Total tax expense in the consolidated income statement	5,803	3,776

The tax expense is wholly in respect of UK taxation.

b. Tax reconciliation	2015 £'000	2014 £'000
Profit before taxation	28,036	17,922
Profit before taxation multiplied by the standard rate of corporation tax in the United Kingdom of 20.25% (2014: 21.5%)	5,677	3,853
Effect of:		
Non-deductible expenses	134	71
Impact on deferred tax of use of hybrid tax rate	0	62
Other timing differences	(74)	1
Adjustments to the tax charge in respect of prior years	(50)	(162)
Income not taxable for tax purposes	(38)	0
Depreciation for the year lower than/(greater than) capital allowances	20	(49)
Opening share scheme deferred tax	39	0
Impact on deferred tax due to rate change	95	0
Total tax expense in the consolidated income statement	5,803	3,776

The effective rate of tax for the year of 21.7% (2014: 21.1%) is higher than the standard rate of corporation tax in the United Kingdom (20.25%). The differences are explained above.

c. The effective rate of tax on profit is 21.7% (2014: 21.1%).

d. Tax on items recognised in other comprehensive expense

In addition to the amount charged to the consolidated income statement, £273,177 (2014: £436,000) has been recognised in other comprehensive (expense)/income, being the movement on deferred taxation relating to retirement benefit obligations and employee benefits.

8. Equity dividends

	2015 £'000	2014 £'000
Interim dividend 8.00p (2014: 7.10p) paid 28 August 2015	**2,949**	2,618
Final dividend for 2014 15.30p (2013: 13.30p) paid 5 May 2015	**5,640**	4,900
	8,589	7,518

The interim dividend for the prior year of £2,618,000 was paid on 29 August 2014.

The 2015 final proposed dividend of £6,507,000 (17.60p per share) has not been accrued as it had not been approved by the year end.

9. Earnings per share

	2015	2014
Earnings per share (basic)	**60.33p**	38.39p
Earnings per share (diluted)	**60.25p**	38.34p
Earnings per share (basic) - before exceptional items	**60.33p**	55.03p
Earnings per share (diluted) - before exceptional items	**60.25p**	54.96p

Earnings per share - before exceptional items

	2015 Earnings £'000	2015 Weighted average number of shares	2015 Earnings per share	2014 Earnings £'000	2014 Weighted average number of shares	2014 Earnings per share
Basic earnings per share	**22,232**	**36,849,638**	**60.33p**	14,146	36,846,564	38.39p
Dilutive effect of share options		**52,981**			45,714	
Diluted earnings per share	**22,232**	**36,902,619**	**60.25p**	14,146	36,892,278	38.34p

Earnings per share before exceptional items has been presented in addition to the earnings per share as defined in IAS 33 "Earnings per share" since in the opinion of the directors, this provides shareholders with a more meaningful representation of the earnings derived from the Group's operations. It can be reconciled from the basic earnings per share as follows:

	2015 Earnings £'000	2015 Weighted average number of shares	2015 Earnings per share	2014 Earnings £'000	2014 Weighted average number of shares	2014 Earnings per share
Basic earnings per share	**22,232**	**36,849,638**	**60.33p**	14,146	36,846,564	38.39p
Exceptional items	**0**			7,768		
Taxation in respect of exceptional items	**0**			(1,637)		
Basic earnings per share before exceptional items	**22,232**	**36,849,638**	**60.33p**	20,277	36,846,564	55.03p
Dilutive effect of share options		**52,981**			45,714	
Diluted earnings per share before exceptional items	**22,232**	**36,902,619**	**60.25p**	20,277	36,892,278	54.96p

10. Property, plant and equipment

Group

Cost	Land and buildings £'000	Property, plant and equipment £'000	Total £'000
At 1 January 2014	0	5,355	5,355
Additions	3,444	591	4,035
Disposals	0	(139)	(139)
At 1 January 2015	3,444	5,807	9,251
Additions	0	1,767	1,767
Disposals	0	(82)	(82)
At 31 December 2015	**3,444**	**7,492**	**10,936**

Depreciation	Land and buildings £'000	Property, plant and equipment £'000	Total £'000
At 1 January 2014	0	4,060	4,060
Charge for the year	40	440	480
On disposals	0	(106)	(106)
At 1 January 2015	40	4,394	4,434
Charge for the year	69	433	502
On disposals	0	(61)	(61)
At 31 December 2015	**109**	**4,766**	**4,875**
Net book value at 31 December 2015	**3,335**	**2,726**	**6,061**
Net book value at 31 December 2014	3,404	1,413	4,817

Parent

Cost	Land and buildings £'000	Property, plant and equipment £'000	Total £'000
At 1 January 2014	0	2,434	2,434
Additions	3,444	235	3,679
Disposals	0	(3)	(3)
At 1 January 2015	3,444	2,666	6,110
Additions	0	442	442
Disposals	0	(3)	(3)
At 31 December 2015	**3,444**	**3,105**	**6,549**

Depreciation	Land and buildings £'000	Property, plant and equipment £'000	Total £'000
At 1 January 2014	0	2,079	2,079
Charge for the year	40	232	272
On disposals	0	0	0
At 1 January 2015	40	2,311	2,351
Charge for the year	69	202	271
On disposals	0	(1)	(1)
At 31 December 2015	**109**	**2,512**	**2,621**
Net book value at 31 December 2015	**3,335**	**593**	**3,928**
Net book value at 31 December 2014	3,404	355	3,759

11. Goodwill

Group

Cost	£'000
At 1 January 2014	16,057
Acquisitions	390
At 1 January 2015	16,447
Acquisition - Nichols Dispense (S.W.) Limited	157
	16,604
Acquisition - Feel Good	2,504
At 31 December 2015	**19,108**

Parent

Cost	£'000
At 1 January 2014	0
Acquisitions	0
At 1 January 2015	0
Acquisitions (see below)	2,504
At 31 December 2015	**2,504**

Group goodwill acquisitions for 2015 consist of the Feel Good transaction referred to below and the acquisition of the remaining 49% of the issued share capital of Nichols Dispense (S.W.) Limited. The total goodwill is entirely attributable to the Out of Home business.

All goodwill, aside from that arising on Feel Good Drinks Limited, relates to the historic Out of Home business which is considered by management to be one cash-generating unit sitting below each of the Still and Carbonate operating segments:

On 23 July 2015, the parent company acquired the trade and assets of Feel Good Drinks Limited, an established range of premium juice drinks containing no added sugar and 100% natural ingredients. Details of the fair value of identifiable assets acquired, purchase consideration and goodwill are shown in note 13.

	2015 £'000	2014 £'000
Still		
Out of Home	**7,952**	7,895
Carbonate		
Out of Home	**8,652**	8,552
	16,604	16,447

The £2.5m goodwill recognised in the year in respect of the acquisition of the trade and assets of Feel Good Drinks Limited remains unallocated to a cash-generating unit at 31 December 2015. The Management Committee are able to review the performance of the acquisition at the operating segment level (Still and Carbonate) however will formalise the allocation to a specific cash-generating unit, which is lower than an operating segment in line with IAS 36, in the forthcoming financial year.

Impairment review

Goodwill is tested at least annually for impairment and whenever there are indications that goodwill might be impaired. The recoverable amount of a cash-generating unit is based on its value in use. Value in use is the present value of the projected cash flows of the cash-generating unit. The key assumptions regarding the value in use calculations were forecast growth in revenues and the discount rate applied. Budgeted revenue growth is estimated based on actual performance over the past two years and expected market changes.

The discount rate of 10.35% is a pre-tax rate and reflects the risks specific to the relevant cash-generating unit. Out of Home business cash flow projections are based on the most recent financial budgets approved by management. Management have applied an annual growth rate of 5% in projecting the cash flows for a period of five years. Further periods have not been included in the impairment test due to the value of the free cash flows after a period of five years being greater than the carrying value of goodwill. Therefore, management do not believe it is necessary to project any further into the future. Management consider 5% annual growth for five years to be reasonable in light of company growth in the current year and economic growth rates.

Management have considered the allocation of the excess of the fair value of the consideration transferred over the fair value of the Group's share of the identifiable assets acquired to other intangibles and are satisfied that is it correctly allocated to goodwill.

If the discount rate were to increase by 10%, the discounted cash flows would still exceed the carrying amount, likewise if the free cash flows were to reduce by 10%, the discounted cash flows would still exceed the carrying amount.

12. Investments: shares in Group undertakings

Parent

Cost and net book amount	£'000
At 1 January 2014, 1 January 2015 and at 31 December 2015	**16,566**

All non-current investments relate to Group undertakings. Listed below are the trading subsidiaries and the ownership of their ordinary share capital by the Group:

	%
Beacon Drinks Limited *	100
Ben Shaws Dispense Drinks Limited	100
Cabana Soft Drinks Limited **	100
Dayla Liquid Packing Limited	100
Dispense Solutions (Wales) Limited *****	100
Festival Drinks Limited ***	100
Vimto (Out of Home) Limited (formerly Nichols Dispense Limited)	100
Nichols Dispense (S.W.) Limited ****	100

The Company directly owns Ben Shaws Dispense Drinks Limited, Dayla Liquid Packing Limited and Vimto (Out of Home) Limited.

*Beacon Drinks Limited is directly owned by Vimto (Out of Home) Limited.

**Cabana Soft Drinks Limited is directly owned by Vimto (Out of Home) Limited.

*** Festival Drinks Limited is directly owned by Vimto (Out of Home) Limited.

**** Nichols Dispense (S.W.) Limited is directly owned by Vimto (Out of Home) Limited.

***** Dispense Solutions (Wales) Limited is directly owned by Nichols Dispense (S.W.) Limited.

All Group undertakings are consolidated.

The above companies and the parent Company were all incorporated and operate in the United Kingdom. Particulars of non-trading companies are filed with the annual return.

All companies in the Group are engaged in the supply of soft drinks and other beverages.

Investments in associates

The following entity has been included in the consolidated financial statements using the equity method:

Name	Country of incorporation and principal place of business	Proportion of ownership interest held as at 31 December 2015	2014
The Noisy Drinks Company Limited	United Kingdom	**49%**	0%

The carrying value of our investment in associate as at 31 December 2015 is summarised below:

	£'000
Cash consideration equivalent to share of net assets acquired	2,780
Share of post-tax profits of equity accounted associate	190
Carrying value as at 31 December 2015	**2,970**

13. Intangibles

Group and Parent

Cost	£'000
At 1 January 2014	0
Acquisitions	0
At 1 January 2015	0
Acquisitions	1,316
At 31 December 2015	**1,316**

On 23 July 2015, the Group acquired the trade and assets of Feel Good Drinks Limited, an established range of premium juice drinks containing no added sugar and 100% natural ingredients. The acquisition is a key part of the Group's growth strategy and we plan to further develop the brand across our established UK and international markets, supported by increased marketing resource and investment.

Details of the fair value of identifiable assets acquired, purchase consideration and goodwill are as follows:

	Fair Value £'000
Inventories	384
Brand	1,316
Total assets acquired	**1,700**

Fair value of consideration paid

	£'000
Cash	3,884
Contingent cash consideration (paid 2 February 2016)	320
Total consideration	**4,204**
Goodwill (note 11)	**2,504**

The goodwill recognised on the acquisition relates to expected synergies from combining operations of Feel Good and Nichols plc. Feel Good has an important part to play in all of the Group's routes to market and the brand is a core element of the Group's future growth strategy. There is no further contingent consideration on the acquisition other than as disclosed above.

The post-acquisition revenue and gross profit of the acquiree included in the consolidated income statement for the reporting period amounts to £1.2m and £0.4m respectively. Revenue of £2.9m and gross profit of £1.0m would have been achieved had the business combination occurred at the beginning of the reporting period.

14. Deferred tax assets and liabilities

Movement in temporary differences during the year

Group

	Net balance at 1 January 2015 £'000	Recognised in income £'000	Recognised in other comprehensive expense £'000	**Net balance at 31 December 2015 £'000**
Property, plant and equipment	(37)	(4)	0	**(41)**
Goodwill	294	(47)	0	**247**
Employee benefits	1,277	(233)	(274)	**770**
Provisions	95	(59)	0	**36**
	1,629	(343)	(274)	**1,012**

Group

	Net balance at 1 January 2014 £'000	Recognised in income £'000	Recognised in other comprehensive income £'000	**Net balance at 31 December 2014 £'000**
Property, plant and equipment	28	(65)	0	**(37)**
Goodwill	314	(20)	0	**294**
Employee benefits	971	(130)	436	**1,277**
Provisions	8	87	0	**95**
	1,321	(128)	436	**1,629**

Parent

	Net balance at 1 January 2015 £'000	Recognised in income £'000	Recognised in other comprehensive expense £'000	**Net balance at 31 December 2015 £'000**
Property, plant and equipment	34	11	0	**45**
Goodwill	294	(47)	0	**247**
Employee benefits	1,277	(233)	(274)	**770**
Provisions	94	(58)	0	**36**
	1,699	(327)	(274)	**1,098**

Parent

	Net balance at 1 January 2014 £'000	Recognised in income £'000	Recognised in other comprehensive income £'000	**Net balance at 31 December 2014 £'000**
Property, plant and equipment	28	6	0	**34**
Goodwill	314	(20)	0	**294**
Employee benefits	971	(130)	436	**1,277**
Provisions	8	86	0	**94**
	1,321	(58)	436	**1,699**

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	**Assets**		**Liabilities**		**Net**	
	Current year £'000	Prior year £'000	**Current year £'000**	Prior year £'000	**Current year £'000**	Prior year £'000
Property, plant and equipment	**45**	33	**(86)**	(70)	**(41)**	(37)
Goodwill	**247**	294	**0**	0	**247**	294
Employee benefits	**770**	1,277	**0**	0	**770**	1,277
Provisions	**36**	95	**0**	0	**36**	95
	1,098	1,699	**(86)**	(70)	**1,012**	1,629

Parent	**Assets**		**Liabilities**		**Net**	
	Current year £'000	Prior year £'000	**Current year £'000**	Prior year £'000	**Current year £'000**	Prior year £'000
Property, plant and equipment	**45**	34	**0**	0	**45**	34
Goodwill	**247**	294	**0**	0	**247**	294
Employee benefits	**770**	1,277	**0**	0	**770**	1,277
Provisions	**36**	94	**0**	0	**36**	94
	1,098	1,699	**0**	0	**1,098**	1,699

15. Inventories

	Group		**Parent**	
	2015 £'000	2014 £'000	**2015 £'000**	2014 £'000
Finished goods	**3,378**	3,900	**2,430**	2,634
Raw materials	**567**	812	**0**	0
Total inventories	**3,945**	4,712	**2,430**	2,634

In 2015, the Group write-down of inventories to net realisable value amounted to £173,000 (2014: £257,000).

16. Trade and other receivables

	Group		Parent	
	2015 £'000	2014 £'000	**2015 £'000**	2014 £'000
Trade receivables	**24,640**	21,919	**19,097**	16,981
Amounts owed by Group undertakings	**0**	0	**362**	3,257
Other receivables	**2,710**	876	**849**	304
Prepayments and accrued income	**510**	730	**457**	578
	27,860	23,525	**20,765**	21,120

All amounts above are short-term debt. The difference between the carrying value and fair value of all receivables is not considered to be material.

In addition, some of the unimpaired trade receivables are past due at the reporting date. The age of receivables past due but not impaired is as follows:

All trade and other receivables have been reviewed for indicators of impairment and a provision of £736,000 (2014: £424,000) has been recorded accordingly.

Group	**2015 £'000**	2014 £'000
Up to 30 days overdue	**2,105**	3,118
Over 30 days and up to 60 days overdue	**171**	188
Over 60 days and up to 90 days overdue	**90**	82
	2,366	3,388

Parent	**2015 £'000**	2014 £'000
Up to 30 days overdue	**1,122**	2,402
Over 30 days and up to 60 days overdue	**146**	149
Over 60 days and up to 90 days overdue	**86**	76
	1,354	2,627

Group	At 1 January 2015 £'000	Charge in the year £'000	Utilised £'000	**At 31 December 2015 £'000**
Bad debt provision	424	327	(14)	**737**

Group	At 1 January 2014 £'000	Release in the year £'000	Utilised £'000	**At 31 December 2014 £'000**
Bad debt provision	528	(85)	(19)	**424**

Parent	At 1 January 2015 £'000	Charge in the year £'000	Utilised £'000	**At 31 December 2015 £'000**
Bad debt provision	415	325	(4)	**736**

Parent	At 1 January 2014 £'000	Release in the year £'000	Utilised £'000	**At 31 December 2014 £'000**
Bad debt provision	512	(90)	(7)	**415**

17. Trade and other payables and current tax liabilities

	Group		Parent	
	2015 £'000	2014 £'000	**2015 £'000**	2014 £'000
Trade payables	**5,364**	5,705	**4,244**	4,097
Amounts owed to Group undertakings	**0**	0	**1,740**	805
Other taxes and social security	**802**	720	**270**	(24)
Accruals and deferred income	**11,961**	13,061	**10,727**	12,332
	18,127	19,486	**16,981**	17,210
Current tax liabilities	**2,679**	1,859	**1,160**	1,090
	20,806	21,345	**18,141**	18,300

All amounts shown above are short-term. The carrying values are considered to be a reasonable approximation of fair value.

At 31 December 2015, liabilities have contractual maturities which are summarised below:

	2015		2014	
Group	**Within 6 months £'000**	**Within 6 to 12 months £'000**	Within 6 months £'000	Within 6 to 12 months £'000
Trade payables	**5,364**	**0**	5,705	0
Other short-term financial liabilities	**11,962**	**0**	13,061	0
	17,326	**0**	18,766	0

	2015		2014	
Parent	**Within 6 months £'000**	**Within 6 to 12 months £'000**	Within 6 months £'000	Within 6 to 12 months £'000
Trade payables	**4,244**	**0**	4,097	0
Other short-term financial liabilities	**10,727**	**1,740**	12,332	805
	14,971	**1,740**	16,429	805

18. Share capital

	2015 £'000	2014 £'000
Allotted, issued and fully paid 36,968,772 (2014: 36,968,772) 10p ordinary shares	**3,697**	3,697

The share capital of Nichols plc consists only of ordinary 10p shares. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings.

There were no movements in the Group's authorised and allotted, issued and fully paid share capital for the financial years ending 31 December 2015 and 31 December 2014.

19. Share options

The Group operates a Long Term Incentive Plan (LTIP) for certain Executive Board members to reward performance during the year. These options are exercisable on the completion of three years service from the date of grant. The Group also operates a Save As You Earn (SAYE) scheme for all employees. The estimated fair values of options which fall under the IFRS 2 "Share-based payment" accounting charge and inputs used in the Binomial model to calculate those fair values, are as follows:

Save As You Earn Scheme

Date of Grant	Number granted	Share price on grant date	Exercise price	Fair values on grant date	Vesting period	Expected dividend yield	Lapse rate	Risk-free rate	Volatility
1 June 2011	27,177	£4.81	£3.85	£0.96	3.00 years	2.43%	5.00%	2.75%	32.94%
1 June 2011	8,970	£4.81	£3.85	£0.96	5.00 years	2.43%	5.00%	1.75%	32.94%
1 June 2012	18,179	£6.30	£5.04	£1.26	3.00 years	2.16%	5.00%	0.66%	30.63%
1 June 2012	18,925	£6.30	£5.04	£1.26	5.00 years	2.16%	5.00%	1.01%	30.63%
31 May 2013	19,545	£8.85	£7.08	£1.77	3.00 years	1.79%	5.00%	0.50%	21.02%
31 May 2013	5,841	£8.85	£7.08	£1.77	5.00 years	1.79%	5.00%	0.92%	21.02%
1 June 2014	32,327	£10.56	£7.92	£2.64	3.00 years	1.86%	5.00%	1.04%	22.10%
1 June 2014	10,978	£10.56	£7.92	£2.64	5.00 years	1.86%	5.00%	1.87%	22.10%
1 June 2015	18,851	£12.19	£9.51	£2.68	3.00 years	1.84%	5.00%	1.09%	27.32%
1 June 2015	5,707	£12.19	£9.51	£2.68	5.00 years	1.84%	5.00%	1.37%	27.32%

Long Term Incentive Plan

Date of Grant	Number granted	Share price on grant date	Exercise price	Fair values on grant date	Vesting period	Expected dividend yield	Lapse rate	Risk-free rate	Volatility
31 July 2013	17,561	£10.20	£0.00	£10.20	3.00 years	1.70%	5.00%	0.47%	20.50%
31 May 2015	2,000	£12.19	£0.00	£12.19	3.00 years	1.84%	5.00%	1.09%	27.32%

Expected volatility

The volatility of the Company's share price on each date of grant was calculated as the average of annualised standard deviations of daily continuously compounded returns on the Company's stock, calculated over five years back from the date of the grant, where applicable.

Risk-free rate

The risk-free rate is the yield to maturity on the date of grant of a UK Gilt Strip, with term to maturity equal to the life of the option.

Expected life

The expected life of a SAYE option is equal to the vesting period plus a six month exercise period.

Date of Grant	At 1 January 2015	Granted	Exercised	Lapsed	**At 31 December 2015**	Exercise price per share
1 June 2010	3,295	0	(3,295)	0	**0**	283.00p
1 June 2011	6,247	0	(801)	0	**5,446**	385.00p
1 June 2012	20,394	0	(15,157)	0	**5,237**	504.00p
31 May 2013	22,044	0	0	(1,524)	**20,520**	708.40p
31 July 2013	17,561	0	0	0	**17,561**	0.00p
1 June 2014	42,352	0	0	(4,911)	**37,441**	792.30p
31 May 2015	0	2,000	0	0	**2,000**	0.00p
1 June 2015	0	24,558	0	(3,763)	**20,795**	950.90p
	111,893	26,558	(19,253)	(10,198)	**109,000**	

Options are exercisable at the end of a three or five year savings contract commencing on the date of grant and for a period of six months thereafter.

The share price during 2015 varied between 892.00p and 1,492.00p and the weighted average price for the year was 1,277.00p.

At 31 December 2015, options over 109,000 shares were outstanding under Employee Share Option Plans (2014: 111,893).

	2015		2014	
	Number	**Weighted average exercise price in pence**	Number	Weighted average exercise price in pence
Outstanding on 1 January	**111,893**	**561.14**	105,402	420.76
Granted	**26,558**	**950.90**	43,305	792.30
Exercised	**(19,253)**	**461.23**	(27,766)	390.62
Lapsed	**(10,198)**	**838.28**	(9,048)	555.41
Outstanding on 31 December	**109,000**	**630.38**	111,893	561.14

20. Cash and cash equivalents

Group	At 1 January 2015 £'000	Cash flow £'000	**At 31 December 2015 £'000**
Cash at bank and in hand	34,483	955	**35,438**

Parent	At 1 January 2015 £'000	Cash flow £'000	**At 31 December 2015 £'000**
Cash at bank and in hand	19,124	3,783	**22,907**

21. Financial instruments

Exposure to treasury management, liquidity, credit and currency risks arise in the normal course of the Group's business.

Treasury management

The Group's treasury activities are targeted to provide suitable, flexible funding arrangements to satisfy the Group's requirements. Interest rate and liquidity risk are managed at a Group level. Foreign currency risk is managed, in consultation with Group management, in subsidiaries which are responsible for the majority of purchases. The Group's policy for investing any surplus cash balances is to place such amounts on deposit.

Liquidity risk

The Group seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs. The acquisition of companies and the continuing investment in non-current assets will be achieved by a mix of operating cash and where required, short-term borrowing facilities.

Credit risk

The Group has no significant concentrations of credit risk. The Group has implemented stringent policies that ensure that credit evaluations are performed on all potential customers before sales commence. Credit risk is managed by limiting the aggregate exposure to any one individual counterparty, taking into account its credit rating. Such counterparty exposures are regularly reviewed and adjusted as necessary.

Accordingly, the possibility of material loss arising in the event of non-performance by counterparties is considered to be unlikely. Cash at bank is held only with major UK banks with high quality external credit ratings or government support.

Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Group. The currencies giving rise to this risk are primarily US Dollars ($) and Euros (€). During 2015, the Group entered into foreign currency transactions that over the course of the year resulted in the Group having a 'natural currency hedge'. This then meant the Group did not need to enter into forward contracts to minimise the impact of movements in foreign currency rates on the spot market.

21. Financial instruments (continued)

Foreign currency assets:	2015 £'000	2014 £'000
US Dollar	**2,136**	4,057
Euro	**2,862**	3,942
Swiss Franc	**304**	0
	5,302	7,999

Foreign currency sensitivity

Some of the Group's transactions are carried out in US Dollars and Euros. As a result, management have undertaken sensitivity analysis to consider the financial impact if Sterling had both strengthened and weakened against the US Dollar and the Euro.

If Sterling had strengthened against the US Dollar and Euro by 5% (2014: 5%), then this would have had the following impact:

	2015			2014		
	USD £'000	Euro £'000	Total £'000	USD £'000	Euro £'000	Total £'000
Net result for the year	**(102)**	**(136)**	**(238)**	(190)	(242)	(432)

If Sterling had weakened against the US Dollar and Euro by 5% (2014: 5%), then this would have had the following impact:

	2015			2014		
	USD £'000	Euro £'000	Total £'000	USD £'000	Euro £'000	Total £'000
Net result for the year	**112**	**151**	**263**	217	281	498

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

22. Summary of financial assets and liabilities by category

The IAS 39 categories of financial assets included in the statement of financial position and the headings in which they are included are as follows:

Current assets	**Group**		**Parent**	
Loans and other receivables	**2015 £'000**	2014 £'000	**2015 £'000**	2014 £'000
Trade receivables and other receivables	**27,350**	22,795	**20,308**	20,542
Cash and cash equivalents	**35,438**	34,483	**22,907**	19,124
Total financial assets	**62,788**	57,278	**43,215**	39,666

The IAS 39 categories of financial liability included in the statement of financial position and the headings in which they are included are as follows:

Current liabilities	**Group**		**Parent**	
Other financial liabilities at amortised cost	**2015 £'000**	2014 £'000	**2015 £'000**	2014 £'000
Trade and other payables	**5,364**	5,705	**5,984**	4,902
Total financial liabilities	**5,364**	5,705	**5,984**	4,902

23. Capital management policies and procedures

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. This strategy remains unchanged from 2014. At 31 December 2015, the Group had no debt and therefore the capital structure consists of equity only.

24. Operating leases

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Parent	
	2015 £'000	2014 £'000	**2015 £'000**	2014 £'000
Within one year	**658**	496	**382**	301
Between two and five years	**1,041**	940	**423**	390
More than five years	**313**	5	**0**	0
	2,012	1,441	**805**	691

The Group leases its operating depots under non-cancellable operating lease agreements and certain other plant and equipment under non-cancellable operating lease agreements which have varying terms, escalation clauses and renewal rights.

25. Related party transactions

Parent Company

The parent Company entered into the following transactions with subsidiaries during the year:

	Transaction value Year ended 31 December		Balance outstanding as at 31 December	
	2015 £'000	2014 £'000	**2015 £'000**	2014 £'000
Sale of goods and services (including recharge of costs)	**1,539**	1,173	**(1,578)**	2,452

All sales noted above with the related parties are conducted in line with similar transactions with external parties.

Details of key management personnel compensation have been disclosed in note 6, no other transactions were entered into with key management personnel in the year.

During the year, a loan of £1,200,000 was provided to The Noisy Drinks Company Limited, repayable over 3 years. The balance outstanding on this loan as at 31 December 2015 was £908,282.

Two family members of the Non-Executive Chairman are employed in management roles within the business. The total remuneration paid in the year was £110,000 (2014: £98,000). An accrued amount of £30,000 (2014: £27,000) will be paid in the subsequent financial year.

26. Pension obligations and employee benefits

The Group operates two employee benefit plans, a defined benefit plan which provides benefits based on final salary which is now closed to new members and a defined contribution group personal plan.

The Group personal plan consists of individual contracts with contributions from both the employer and employee. The charge for the year for the Group personal plan was £293,000 (2014: £256,000).

The Company operates a defined benefit plan in the UK. A full actuarial valuation was carried out on 5 April 2014 and updated at 31 December 2015 by an independent qualified actuary. The assets of the defined benefit plan are managed by a pension fund that is legally separated from the Group. Governance of the plan is the responsibility of appointed trustees, acting on professional advice.

The plan is exposed to a number of risks, including changes to long-term UK interest rates and inflation expectations, movements in global investment markets, changes in UK life expectancy rates and regulatory risk from changes in UK pension legislation.

Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation and it is denominated in sterling. A decrease in market yield on high quality corporate bonds will increase the Group's defined benefit liability, although it is expected that this would be offset partially by an increase in the fair value of certain of the plan assets.

Investment risk

The plan assets at 31 December 2015 are predominantly equity and debt instruments.

Longevity risk

The Group is required to provide benefits for life for the members of the defined benefit liability. Increases in the life expectancy of the members, where the pension payments are linked to CPI, will increase the defined benefit liability.

26. Pension obligations and employee benefits (continued)

Inflation risk

A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Group's liability. A portion of the plan assets are inflation-linked debt securities which will mitigate some of the effects of inflation.

A reconciliation of the pension obligation and plan assets to the amounts presented in the statement of financial position for 2015 and 2014 is shown below:

	31 December 2015 £'000	31 December 2014 £'000
Present value of funded obligations	**(27,593)**	(29,970)
Fair value of plan assets	**23,700**	23,780
Deficit in the plan	**(3,893)**	(6,190)
Related deferred tax asset	**710**	1,368
Net liability recognised	**(3,183)**	(4,822)

Defined benefit obligation

The details of the Group's defined benefit obligation are as follows:

	31 December 2015 £'000	31 December 2014 £'000
Opening defined benefit obligation	**29,970**	26,250
Current service cost (Company only)	**37**	103
Interest cost	**1,021**	1,165
Actual contributions paid by plan participants	**6**	13
Experience adjustment	**-**	(110)
Actuarial (gains)/losses from changes in financial assumptions	**(1,506)**	3,918
Actuarial gains from changes in demographic assumptions	**(315)**	(509)
Benefits paid - including insurance premiums	**(1,620)**	(860)
Closing defined benefit obligation	**27,593**	29,970

Plan assets

The reconciliation of the balance of the assets held for the Group's defined benefit plan is presented below:

	31 December 2015 £'000	31 December 2014 £'000
Fair value of plan assets at start of accounting period	**23,780**	22,203
Interest income	**820**	1,001
Return on plan assets (excluding amounts included in net interest)	**(189)**	503
Contributions paid by the employer	**903**	920
Actual contributions paid by plan participants	**6**	13
Benefits paid	**(1,620)**	(860)
Fair value of plan assets at end of accounting period	**23,700**	23,780

The actual return on plan assets was £631,000 (2014: £1,504,000). Plan assets do not comprise any of the Group's own financial instruments or any assets used by Group companies. Plan assets can be broken down into the following category of investments:

The major categories of plan assets, measured at fair value are:	**31 December 2015 £'000**	31 December 2014 £'000
Equities	**15,991**	14,791
Gilts	**1,605**	1,684
Bonds	**3,278**	3,864
Other, including cash	**2,826**	3,441
Total fair value of assets	**23,700**	23,780

Assets included which do not have a quoted market value:	**31 December 2015 £'000**	31 December 2014 £'000
Equities	**-**	-
Gilts	**-**	-
Other, including cash	**-**	-
Total	**-**	-

The significant actuarial assumptions used for the valuations are as follows:	**31 December 2015 £'000**	31 December 2014 £'000
Future salary increases	**3.15%**	3.10%
Rate of increase in (post 1997) pensions in payment (a)	**3.25%**	3.20%
Discount rate at 31 December	**3.80%**	3.50%
Expected rate of inflation - RPI	**3.15%**	3.10%
Overall expected return on plan assets	**3.80%**	3.50%

The expected return on plan assets is based on the long-term rates of return on the market values of equities, fixed interest assets, corporate bonds and cash and other assets at 31 December.

Other material actuarial assumptions were the rate of salary increases and mortality assumptions. In terms of future salary increases, the actuary is assuming salaries will increase in line with the RPI inflation assumption.

Assumptions regarding future mortality experience are set based on the advice of actuaries and in accordance with published statistics. For members not yet retired, life expectancies have been estimated as 89 years for men (2014: 90 years) and 92 years for women (2014: 92 years). For current pensioners, life expectancies have been estimated as 87 years for men (2014: 87 years) and 90 years for women (2014: 90 years).

(a) Increases on pre-6 April 1997 pensions are fixed at 3% per annum. Post-6 April 1997 increases are in line with price inflation, subject to a minimum of 3% and a maximum of 5%.

Over the year, the Company contributed to the plan at the rate of 18.6% of salaries. The Company will continue to contribute at this rate pending the results of the next actuarial valuation. The plan is now closed to new entrants. This means that the average age of the membership can be expected to rise which in turn means that the future service cost (as a percentage of scheme members' pensionable salaries) can be expected to rise.

Defined benefit plan expenses

Amounts recognised in profit or loss are:	**31 December 2015 £'000**	31 December 2014 £'000
Current service cost (Company)	**37**	103
Net interest cost (on net defined benefit liability)	**201**	164
Total amount recognised in the consolidated income statement	**238**	267

26. Pension obligations and employee benefits (continued)

The current service cost is included in employee benefits expense and the net interest expense is included in finance costs. Amounts recognised in other comprehensive income relating to the Group's defined benefit plan are as follows:

Remeasurements recognised in other comprehensive income:	**31 December 2015 £'000**	31 December 2014 £'000
Actuarial (losses)/gains on the assets	**(189)**	503
Experience adjustment	**-**	110
Actuarial gains/(losses) from changes in financial assumptions	**1,506**	(3,918)
Changes in demographic assumptions	**315**	509
Total gain/(loss) recognised in other comprehensive income	**1,632**	(2,796)

Other defined benefit plan information

Employees of the Group are required to contribute a fixed 6% of their pensionable salary.

The remaining contribution is partly funded by the Group's subsidiaries. The funding requirements are based on the pension funds actuarial measurement framework as set out in the funding policies.

Based on historical data, the Group expects contributions of £900,000 to be paid in 2016.

The weighted average duration of the defined benefit obligation at 31 December 2015 is 18 years (2014: 18 years).

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the inflation assumption and life expectancy.

The calculation of the net defined benefit liability is sensitive to these assumptions.

The table below summarises the sensitivity of the obligation to changes to these assumptions:

	31 December 2015	31 December 2014
Increase in discount rate by 0.5%	**-8.00%**	-9.00%
Increase in price inflation adjustment by 0.5%	**4.00%**	4.00%
1 year increase in life expectancy	**3.00%**	3.00%

The method and assumptions used in this analysis are similar to those used in the previous year.

27. Audit exemption statement

Under section 479A of the Companies Act 2006 the Group is claiming exemption from audit for the subsidiary companies listed below. The parent undertaking, Nichols plc, registered number 238303, guarantees all outstanding liabilities to which the subsidiary company is subject at the end of the financial year (being the year ended 31 December

2015 for each company listed below unless otherwise stated). The guarantee is enforceable against the parent undertaking by any person to whom the subsidiary company is liable in respect of those liabilities.

	Company Number
Beacon Drinks Limited	1732905
Ben Shaws Dispense Drinks Limited	231218
Cabana Soft Drinks Limited	938594
Dayla Liquid Packing Limited	603111
Festival Drinks Limited	1256006
Vimto (Out of Home) Limited (formerly Nichols Dispense Limited)	8795779
Nichols Dispense (S.W.) Limited	8766560
Dispense Solutions (Wales) Limited (financial year ended 30 September 2015)	8671127

28. Contingent liability

The Company had previously entered into contracts with some of its senior management relating to incentive schemes which were designed to motivate, retain and engage those key employees. HMRC have written to the Company with their initial view that the arrangements should have been taxed as employment income which the Company and its advisors dispute. If HMRC pursues its current position and is successful in its argument, then the Company may have to pay up to £3.5m in income tax and national insurance. The employees who are party to the contracts have formally indemnified the Company in relation to income tax and employee's national insurance and an amount of up to £2.7m can be requested from them. The directors have obtained external advice and on the basis of this do not believe that the company has a liability for any additional tax or national insurance. In common with such disputes with HMRC, it may take some time to settle and the directors are unable to assess how long this will take and the timing of any potential settlement if required.

29. Post balance sheet events

On 8 January 2016, the Group acquired the remaining 51% of the issued share capital of The Noisy Drinks Company Limited for £4.1m.

The book value of the total net assets acquired (being 100% of book value rather than 51%) is as follows:

	£'000
Intangibles	**357**
Property, plant and equipment	**1,194**
Inventories	**542**
Receivables	**574**
Cash	**603**
Payables	**(1,891)**
Total	**1,379**

At the date of authorisation of these financial statements, a detailed assessment of the fair value of the identifiable net assets has not been completed.

UNAUDITED FIVE YEAR SUMMARY
YEARS ENDED 31 DECEMBER

			Restated		
	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Revenue	**109,279**	109,205	105,529	103,642	95,072
Operating profit before exceptional items, IAS 19 and Long Term Incentive Scheme Charges	**28,888**	26,464	25,194	21,741	19,038
Exceptional items	**0**	(7,768)	(3,680)	0	0
IAS 19 operating profit charges	**(37)**	(103)	(96)	(107)	(119)
Long Term Incentive Scheme operating profit charges	**(1,017)**	(764)	(2,671)	(1,117)	(770)
Operating profit after exceptional items, IAS 19 and Long Term Incentive Scheme Charges	**27,834**	17,829	18,747	20,517	18,149
Net finance income/(expense)	**12**	93	83	(7)	(44)
Share of post-tax profits of equity accounted associate	**190**	0	0	0	0
Profit before taxation	**28,036**	17,922	18,830	20,510	18,105
Taxation	**(5,803)**	(3,776)	(4,721)	(5,252)	(4,779)
Profit after taxation	**22,233**	14,146	14,109	15,258	13,326
Dividends paid	**(8,589)**	(7,518)	(6,639)	(5,866)	(5,195)
Retained earnings	**13,644**	6,628	7,470	9,392	8,131
Earnings per share - (basic)	**60.33p**	38.39p	38.30p	41.43p	36.28p
Earnings per share - (diluted)	**60.25p**	38.34p	38.25p	41.38p	36.25p
Earnings per share - (basic) before exceptional items	**60.33p**	55.03p	45.79p	41.43p	36.28p
Earnings per share - (diluted) before exceptional items	**60.25p**	54.96p	45.72p	41.38p	36.25p
Dividends paid per share	**23.30p**	20.40p	18.02p	15.92p	14.10p

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the twenty fourth Annual General Meeting of Nichols plc ("Company") will be held at Nichols plc, Laurel House, Woodlands Park, Ashton Road, Newton-Le-Willows, Merseyside, WA12 0HH on Wednesday, 27 April 2016 at 11:00 a.m. for the following purposes:

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

1. To receive the Company's annual accounts, strategic report and directors' and auditors' reports for the year ended 31 December 2015.

2. To declare a final dividend for the year ended 31 December 2015 of 17.60 pence per ordinary share of 10 pence in the capital of the Company to be paid on 3 May 2016 to shareholders whose names appear on the register of members at the close of business on 1 April 2016.

3. To re-elect T J Croston, who retires by rotation, as a director of the Company.

4. To reappoint A Milne, who has been appointed by the Board since the last Annual General meeting, as a director of the Company.

5. To reappoint J Gittins, who has been appointed by the Board since the last Annual General meeting, as a director of the Company.

6. To reappoint BDO LLP as auditors of the Company.

7. To authorise the directors to determine the remuneration of the auditors.

8. That, pursuant to section 551 of the Companies Act 2006 ("Act"), the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £1,228,135.90, provided that (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 28 July 2017 (whichever is the earlier), save that the Company may make an offer or agreement before this authority expires which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after this authority expires and the directors may allot shares or grant such rights pursuant to any such offer or agreement as if this authority had not expired. This authority is in substitution for all existing authorities under section 551 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

To consider and, if thought fit, to pass the following resolutions as special resolutions:

9. That, subject to the passing of resolution 8 and pursuant to sections 570 and 573 of the Companies Act 2006 ("Act"), the directors be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted by resolution 8 and to sell ordinary shares held by the Company as treasury shares for cash, as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power shallbe limited to the allotment of equity securities or sale of treasury shares:

9.1 in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise):

9.1.1 to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and

9.1.2 to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary,

9.2 otherwise than pursuant to paragraph 8.1 of this resolution, up to an aggregate nominal amount of £184,244, and (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 28 July 2017 (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted or treasury shares to be sold for cash after this power expires and the directors may allot equity securities or sell treasury shares for cash pursuant to any such offer or agreement as if this power had not expired. This power is in substitution for all existing powers under section 570 and 573 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

10. That, pursuant to section 701 of the Companies Act 2006 ("Act"), the Company be and is generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 10p each in the capital of the Company ("Shares"), provided that:

10.1 the maximum aggregate number of Shares which may be purchased is 3,684,882:

10.2 the minimum price (excluding expenses) which may be paid for a Share is 10p; and

10.3 the maximum price (excluding expenses) which may be paid for a Share is an amount equal to 105 per cent of the average of the middle market quotations for a Share as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which the purchase is made, and (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 28 July 2017 (whichever is the earlier), save that the Company may enter into a contract to purchase Shares before this authority expires under which such purchase will or may be completed or executed wholly or partly after this authority expires and may make a purchase of Shares pursuant to any such contract as if this authority had not expired.

By order of the Board

Tim Croston
Secretary

2 March 2016

Registered Office, Laurel House, Woodlands Park, Ashton Road, Newton-Le-Willows, WA12 0HH.

Registered in England and Wales No. 238303

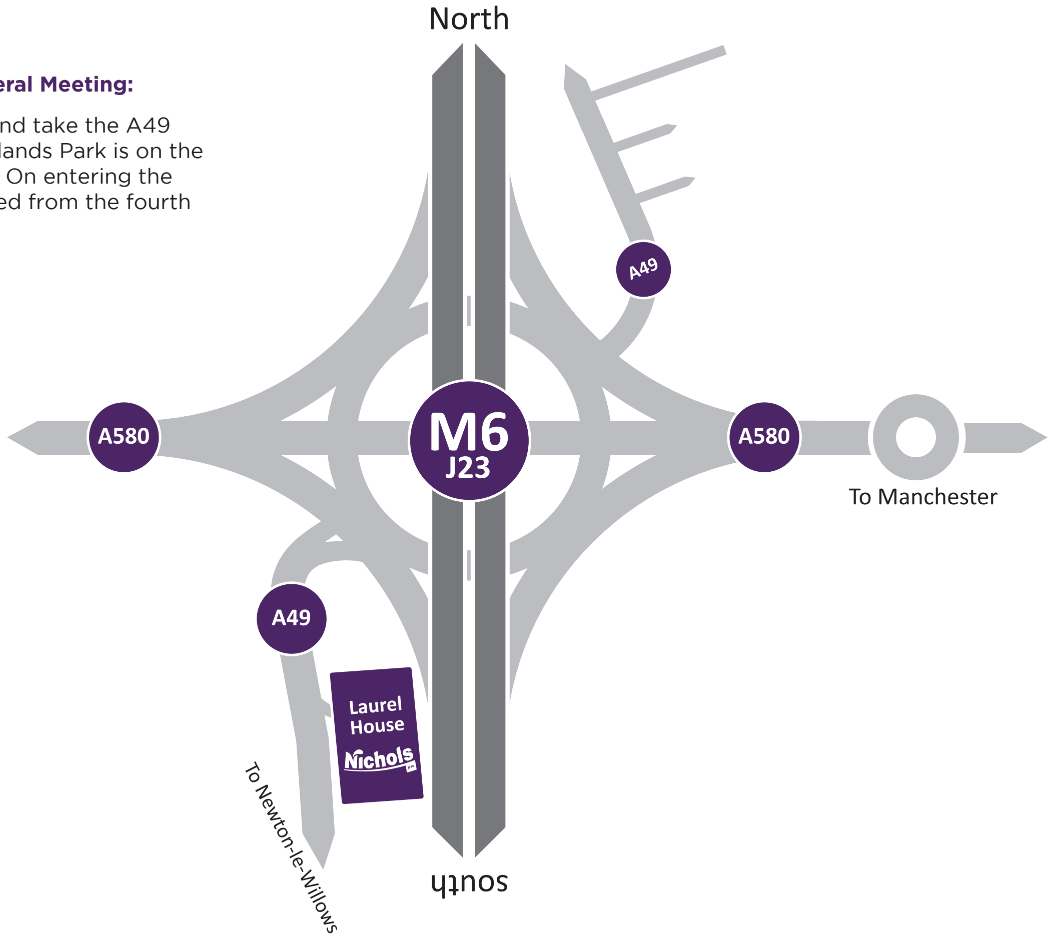
GENERAL NOTES

1. To receive the Company's annual accounts, strategic report and directors' and auditors' reports for the year ended 31 December 2015.
2. Biographical details of all those directors who are offering themselves for re-election at the meeting are set out on pages 30-31 of the enclosed annual report and accounts.
3. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at 6.00 p.m. on Monday, 25 April 2016 (or, if the meeting is adjourned, 6:00 p.m. on the date which is two working days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.
4. A member is entitled to appoint another person as his or her proxy to exercise all or any of his rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him or her. To appoint more than one proxy, you will need to complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained from the Company's registrar at shareholder.services@capitaregistrars.com or on 0871 664 0300 (calls cost 10p per minute plus network extras. Lines are open 8:30 a.m. – 5:30 p.m., Monday - Friday) or you may photocopy the proxy form already in your possession. You will need to state clearly on each proxy form the number of shares in relation to which the proxy is appointed. A failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the number of shares set out in the other proxy appointments is in excess of those held by the member, may result in the proxy appointment being invalid. A proxy may only be appointed in accordance with the procedures set out in notes 5 to 8 below and the notes to the form of proxy.
5. The appointment of a proxy will not preclude a member from attending and voting in person at the meeting if he or she so wishes.
6. A form of proxy is enclosed. To be valid, it must be completed, signed and sent to the offices of the Company's registrars, Capita asset services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive no later than 11:00 a.m. on Monday, 25 April 2016 (or, in the event that the meeting is adjourned, no later than 48 hours (excluding any part of the day that is not a working day) before the time of any adjourned meeting).
7. CREST members who wish to appoint a proxy or proxies for the meeting (or any adjournment of it) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received mmby the Company's Registrar, Capita Registrars (CREST ID RA10) no later than 11:00 a.m. on Monday, 25 April 2016 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of the day that is not a working day) before the time of any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.
11. As at 16 March 2016 (being the last practicable date before the publication of this notice), the Company's issued share capital consists of 36,968,772 ordinary shares of 10 pence each, carrying one vote each. As the Company holds 102,600 ordinary shares in treasury, in respect of which it cannot exercise any votes, the total voting rights in the Company as at 16 March 2016 are 37,071,372.
12. You may not use any electronic address provided either in this notice of general meeting or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

GENERAL NOTES & DIRECTIONS TO THE ANNUAL GENERAL MEETING

Directions to the Annual General Meeting:

Leave the M6 at Junction 23 and take the A49 north towards Newton, Woodlands Park is on the left in approximately 0.3miles. On entering the estate, Laurel House is accessed from the fourth exit of the roundabout.



NOTES

FINANCIAL CALENDAR

Preliminary Results Announced

2 March 2016

Annual General Meeting

27 April 2016

Interim Results Announced

21 July 2016

Laurel House, Woodlands Park, Ashton Road,
Newton-Le-Willows, Merseyside, WA12 0HH
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